



NCAC NEWS

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* For further details regarding each topic introduced below, refer to the following URL which contains the actual text of the reports released (PDF files) (Japanese only) : <http://www.kokusen.go.jp/news/news.html>

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* Major abbreviated names: ADR: Alternative Dispute Resolution
NCAC: National Consumer Affairs Center of Japan
PIO-NET: Practical Living Information Online Network System

I. Injury/fatal accident

1. Beware accidental swallowing of button batteries by infants and toddlers (especially those 12-months or younger)! A full 60% of guardians are unaware of the serious health risks

Product Testing Background

Between April 2010 and March 2014, the Consumer Affairs Agency received more than 90 accident reports involving button batteries¹⁾ that were accidentally swallowed by children, including 11 incidents that required hospitalization. When swallowed, button batteries are extremely dangerous and can result in serious injury, even

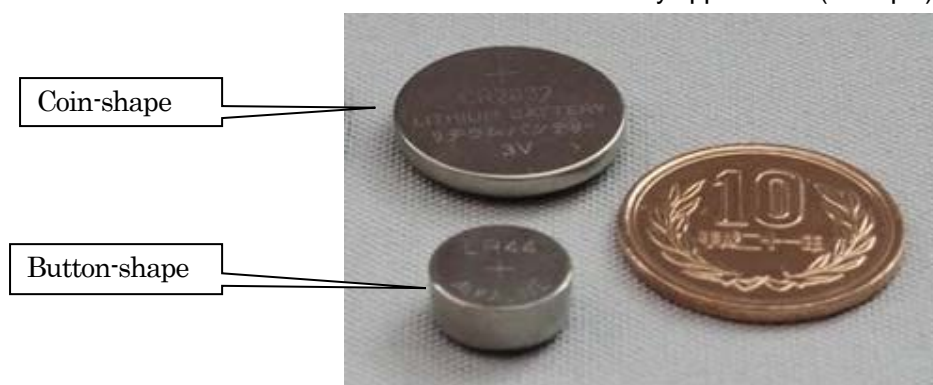
death. For instance, they can become lodged in the esophagus and leak electricity that ulcerates and creates a hole in a short time (even just one hour)²⁾

The Consumer Affairs Agency conducted a survey of approximately 3200 parents and guardians of infants and toddlers regarding the accidental swallowing of button batteries. They found that about 60% of parents and guardians were unaware of the risks and dangers of serious injury resulting from accidentally swallowed button batteries. Button batteries are found not only in toys but also various other daily products that children can easily reach, such as watches, timers, and LED lights. The majority of accidents occurred as children were playing with such products. Consumers should be aware of the risks of button batteries and take care when storing and disposing of them. They should also be sure to regularly inspect products that use button batteries.

Note: This report is being issued as part of "International Awareness Week on Button Battery Safety," a collaborative initiative by the Organisation for Economic Co-operation and Development (OECD) and 16 countries and international organizations (June 16-20, 2014). More than 30 fatal accidents involving button batteries have been reported overseas. There is a need to raise awareness of button batteries across international society in general.

- 1): Button batteries are small round-shaped batteries, as defined by JIS standards (JIS C8500), with an overall height that is less than their diameter.
- 2): Ohama, Kazunori. "Goin Shita Botan Denchi Wa Sugu Ni Toridasu Beki Desu Ka (Should Button Batteries Be Removed Immediately If Swallowed accidentally?)." Japanese Journal of Pediatric Medicine 43, an extra issue (2011): 888-90.

<Photo 1> Button battery appearance (example)



<Photo 2> X-ray photo of one-year-old girl



<Photo 3> Endoscopic photo of one-year-old boy

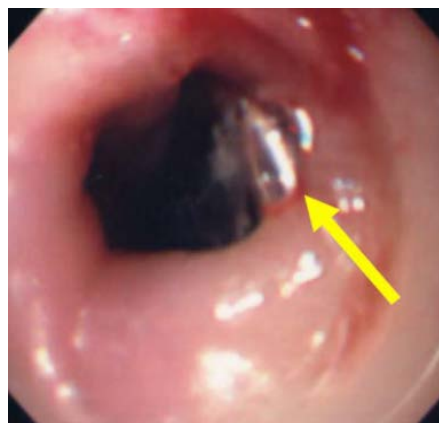
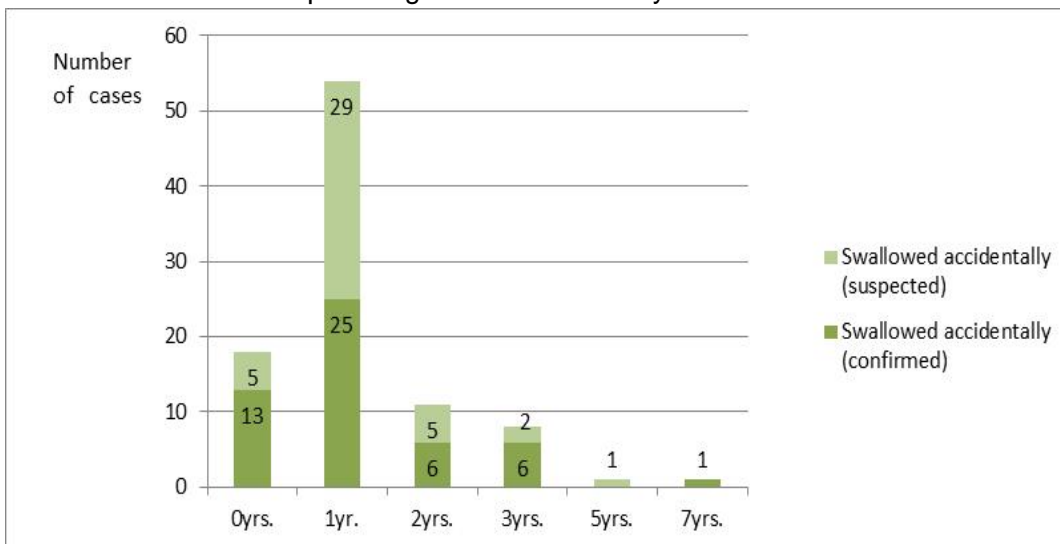


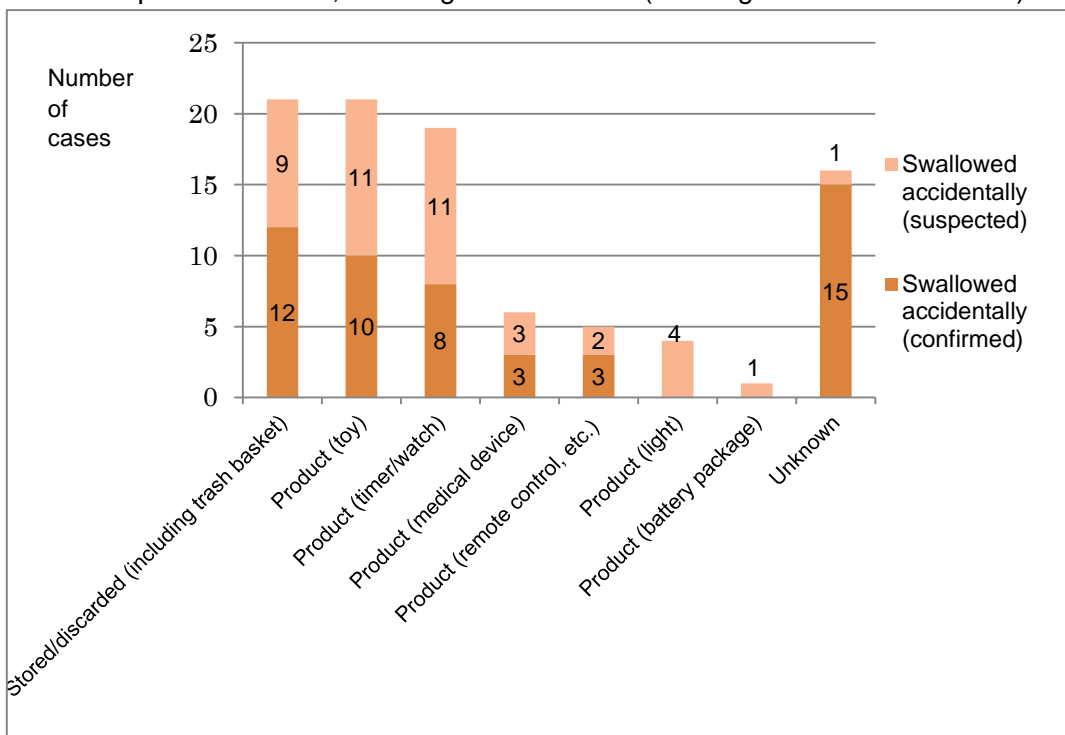
Photo 2 (an x-ray photo) and Photo 3 (an endoscopic photo) are showing cases in which coin-shaped lithium batteries became lodged in a child's esophagus and caused chemical burns.³⁾ The cases were reported in a pediatric journal.⁴⁾ It is believed that coin-shaped lithium batteries that are accidentally swallowed by children around one year of age most frequently become lodged in the esophagus.

- 3): Chemical burns are skin and membrane injuries caused by chemical substances. They result in cellular damage due to the chemical substances as such, as well as inflammation and tissue necrosis in the affected area due to secondary thermal reactions.
- 4): Ohama, Kazunori et al. "Shoni-Ki Koin-Gata Richiumu-Denchi Goin (Accidental Swallowing of Coin-Shaped Lithium Batteries During Early Childhood)." Japanese Journal of Pediatric Medicine 40, no. 11 (November 2008): 1252–56.

< Graph 1 > Age when button battery was swallowed



< Graph 2 > Products, etc. using button batteries (including stored/discarded items)



Sample Cases of Inquiries & Complaints

Case 1: Catheter is used to remove battery that was swallowed accidentally by a child who was playing with a timer and took the cover off.

A mother discovers her child playing with a timer with its cover off. The button battery that should be inside is missing, so she takes the child to the doctor. An x-ray of the child's abdomen confirms that the button battery is in the stomach. A magnetic catheter is used to remove the button battery. The button battery had turned black in color.

(One-year-old boy, light injury)

Case 2: Child admitted to the ICU after surgery to remove a battery that was accidentally swallowed from a battery storage case that the child had opened.

The case used to store batteries lay open. One round battery is missing, so the child is taken to the doctor. An x-ray confirms the location of the battery which is then surgically removed. After surgery, the child is admitted to the ICU. Due to advanced tissue damage, the child requires supervision in the event a hole opens in his esophagus, so he is hospitalized for about one month. The battery was a new coin-shaped, 3-volt lithium battery.

(Two-year-old boy, moderate injury)

Advice from experts

When a child has swallowed a button battery or gotten it stuck up his/her nose, it is imperative that the child be taken to a medical facility immediately. Death can result in extreme cases, so adults should immediately call for an ambulance. When calling, if the type and/or shape of the battery is known, please inform the doctor.

Even when it is uncertain if the child has actually swallowed a battery, an x-ray can confirm the presence of the battery as well as its location. Always see a doctor when there is any chance that a battery was swallowed accidentally.

(Dr. Tatsuhiro Yamanaka, Ryokuen Kodomo Clinic)

Advice for Consumers

(1) Consumers should verify which of their products use button batteries and check to make sure that the battery covers are secure.

(2) At home, be certain that all used/unused button batteries are stored out of reach of any children.

(3) Also, do not let children watch when you are changing a product's batteries.

2. Beware Accidents on Hills with No-pedal Balance Bicycles: Children Injured in Accidents Due to Collisions and Falls

Product Testing Background

In recent years, no-pedal balance bicycles for children have been marketed as a means of teaching children a sense of balance before they ride an actual bicycle. Such products have no pedals. Rather, riders push against the ground to make the bicycle move. The operating instructions prohibit their use on steep hills because doing so can result in serious accidents as the bicycle gains speed.

This year, one such accident was registered on the Practical Living Information Online Network System (PIO-NET¹⁾). A boy was seriously injured when branch pierced his face after he crashed riding the bicycle down a hill. Between December 2010 and April 2014, the Medical Facilities Network²⁾ recorded 18 injuries³⁾ involving children⁴⁾ and no-pedal balance bicycles. Of these, 11 were accidents involving hills (e.g. "The child wasn't able to stop on the hill and crashed," "The child got hurt after colliding with an obstruction," etc.).

Accordingly, we have decided to issue a consumer alert to ensure the safe use of no-pedal balance bicycles by measuring their downhill speed and providing this information to consumers.

1): The Practical Living Information Online Network System (PIO-NET) is a database of accumulated consumer-related information that connects organizations such as the NCAC and local consumer centers across Japan.

2): The Medical Facilities Network began in December 2010 as a joint initiative by the Consumer Affairs Agency and the NCAC. It collects information from patients who have used medical facilities following accidents that caused life-threatening and/or bodily injury as a result of consumer activities.

3): Data registered between December 2010 and April 11, 2014. The number of cases reflects cases specially investigated for this report.

4): Children between the ages of one and six years old.

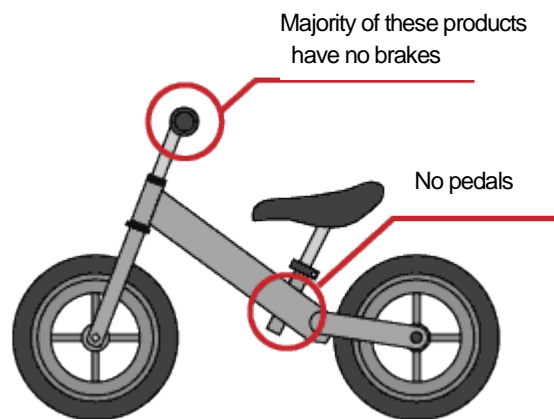
What are no-pedal balance bicycles?

No-pedal balance bicycles, also known as training bicycles or running bicycles, are marketed as a product that teaches children a sense of balance before they ride an actual bicycle. While they closely resemble actual bicycles (see diagram), they are not legally cycles because they have no pedals.⁵⁾ Because riders push against the ground to make balance bicycles move and use their feet to slow them down, the majority of these products have no brakes.⁶⁾ They are light-weight (approximately 3kg) and most often intended for use by children ages two or older. The operating instructions prohibit their use on public roads.

5):Article 2.11.2 of the Japanese Road Traffic Act defines a cycle as "a vehicle with two or more wheels that is human-powered by means of pedals or hand crank."

6): Some models are sold with rear brakes. Legally, these are still not cycles.

<Diagram > Exterior features of no-pedal balance bicycles



Major product test findings

- (1) Tests confirmed that the products were capable of reaching downhill speeds equal to those of normal bicycles.
- (2) All product brands indicated places, such as hills and public roads, where the products must not be used. They also provided warnings against allowing children to use the products unsupervised.
- (3) All product brands indicated that helmets should be worn when using the products.

Low-resolution video

http://www.kokusen.go.jp/douga/20140703_1_news/n-20140703_1_low.html

High-resolution video

http://www.kokusen.go.jp/douga/20140703_1_news/n-20140703_1_high.html

Advice for Consumers

- (1) Depending on the slope, no-pedal balance bicycles ridden on hills can, even over short distances, attain speeds that are faster than an adult can catch. Never use them on hills.
- (2)The use of no-pedal balance bicycles is prohibited on hills and public roads. Be sure to review the operating instructions.
- (3) Children should never be allowed to use no-pedal balance bicycles without adult supervision. Adults should never

take their eyes off their children, even in familiar places.

(4) Be sure children always wear helmets.

II. Property damage

1. Earning money that can't be withdrawn!? Beware troubles involving overseas FX trading: Schemes get consumers to purchase automated FX trading software or similar products to attract them to overseas FX trades

Overview of Inquiries

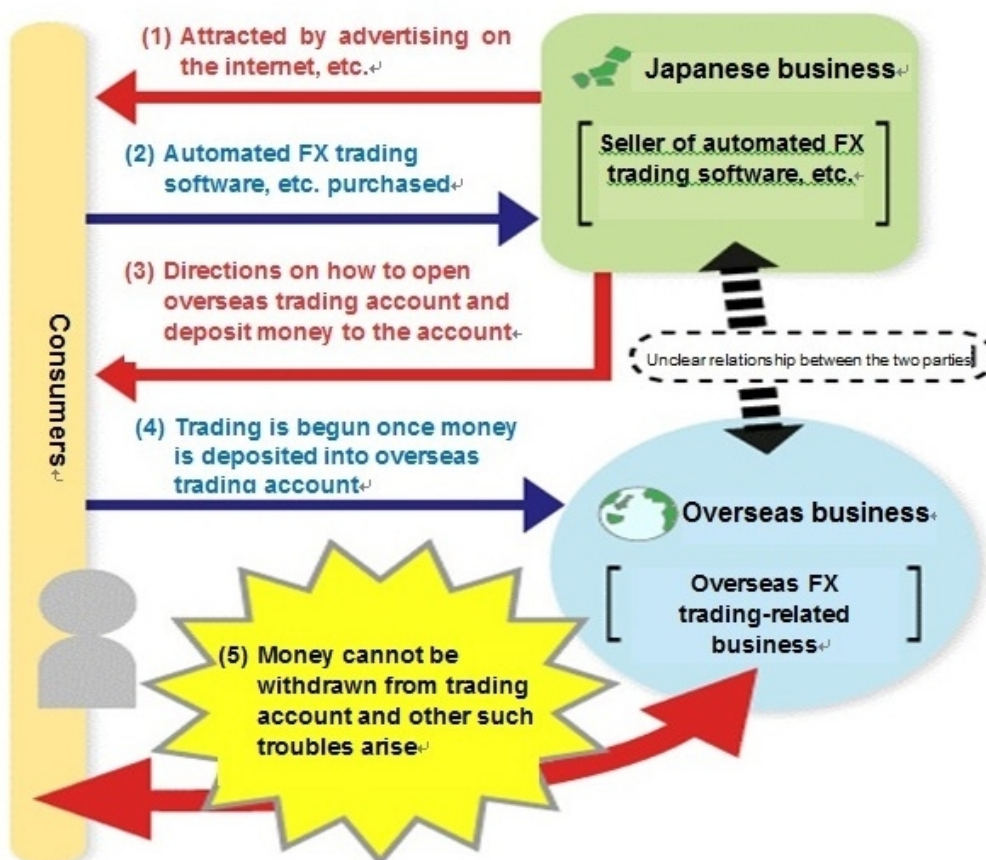
There has been an increase in consumer troubles involving foreign exchange margin transactions ("overseas FX trades") conducted through overseas businesses.

These include many cases in which consumers purchase automated FX trading software¹⁾ or similar products from a Japanese business based on an internet advertisement and begin trading once they have deposited money into an overseas account. When they attempt to withdraw money from their trading accounts, the companies do not comply, even though the account has earned money.

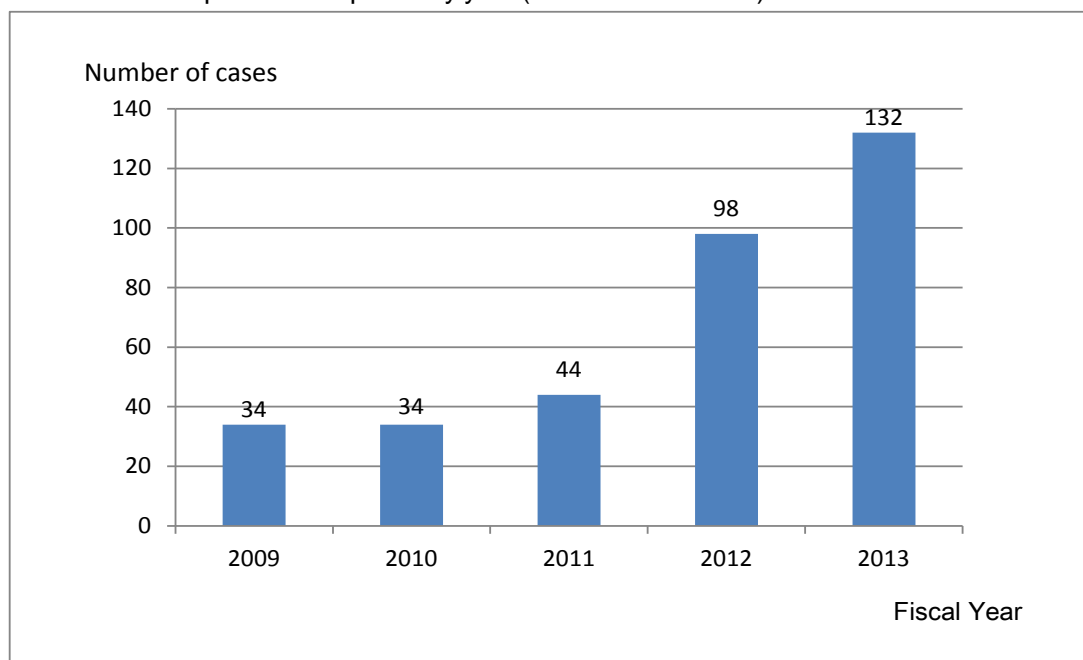
Accordingly, to help prevent troubles involving overseas FX trades, we have decided to issue a consumer alert regarding the risks, etc. associated with such trading.

1):In addition to automated trading software, inquiries also include cases involving automated trading systems.

General image of how troubles arise



< Graph 3 > Number of inquiries & complaints by year (received 2009-2013)



(Data registered with PIO-NET through April 15, 2014)

Sample Cases of Inquiries & Complaints

Case 1: Profits were growing so I added more funds to the account. Later when I asked to withdraw money, I was told I couldn't.

I saw an ad on the internet and requested information from the business. Afterwards I received a phone call from the business. He explained that they were marketing automated FX software, developed by system developers at an overseas business, to a limited number of 500 people. "You'll see monthly growth of 15%," he said. I agreed to the purchase.

As directed by the business, I paid about 30,000 yen for the software and deposited about 500,000 yen to an overseas account with an overseas business. Once the software was installed on my computer, my own personalized trading page appeared on the overseas business's website. Once I started earning steady profits, I was told about a higher class of software. I paid about 50,000 yen for the software and deposited about 3,000,000 yen into my account.

Later on, I contact the Japanese business from which I had bought the software to request a withdrawal of funds equal to my principal. I was told I couldn't withdraw money unless I terminated all trading. They also told me they were just a software retailer acting as an intermediary for the overseas business. I want to cancel for a refund.

(Contract signatory: woman in her 30s)

Case 2: When I asked to terminate trading, I experienced a sudden loss and was told my money couldn't be refunded.

About six months ago I received a telephone solicitation from a Japanese business telling me about a "low-risk investment opportunity" and I requested information from them. After the information arrived, I received a call from a representative telling me there were four types of automated FX trading software and that even the cheapest of them would deliver annual profits of 12%-13%. For about 30,000 yen I purchased the cheapest of the four types of software.

After purchasing the software, I transferred a total of about 2,500,000 yen over four installments to an account in an overseas business's name. Initially the returns on my investment were good, but when I asked the Japanese business to terminate my trading, their response was that I had experienced a sudden loss, so my money couldn't be returned.

Later they contacted me to say the company's phone number had changed. Now I can't reach them.
(Contract signatory: man in his 40s)

Advice for Consumers

- (1) Understand the risks of trading with overseas businesses and do not enter into contracts with unregistered businesses.
- (2) Don't buy into sales pitches that guarantee "high returns".
- (3) Understand that FX trading is high-risk trading and do not enter into contracts unless you have a good understanding of how trading works.
- (4) In case of trouble, consult with your local consumer center or other agency.

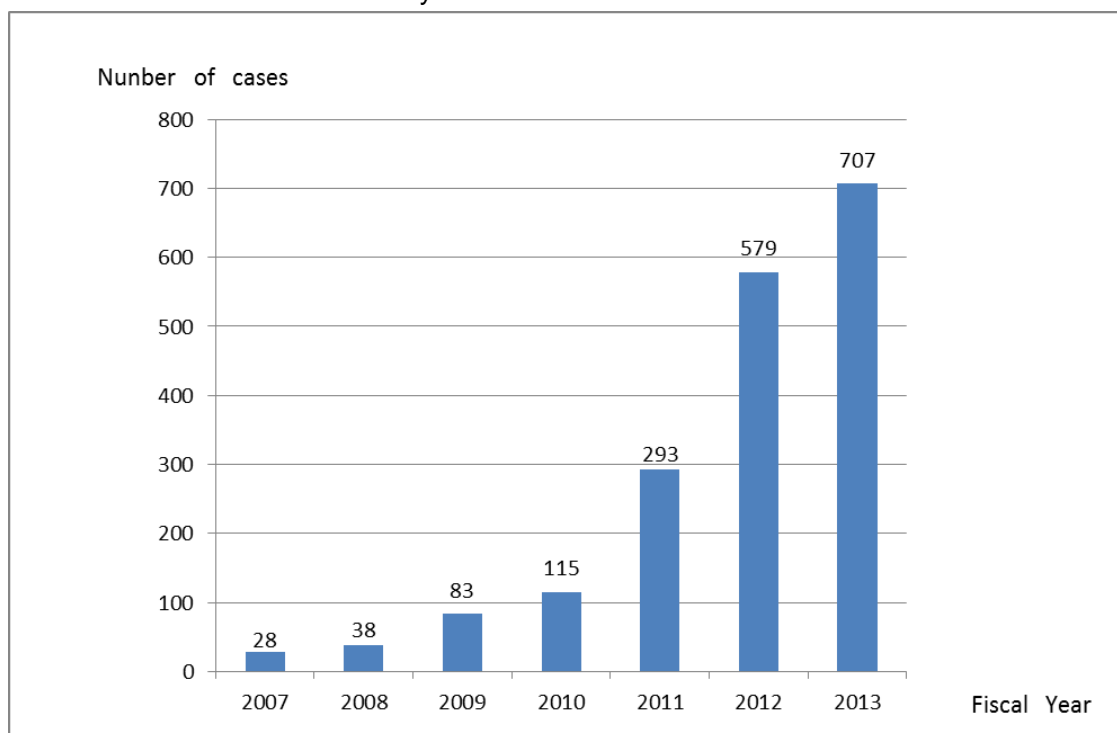
2. Beware trouble involving home repair services offering to use insurance money

Overview of Inquiries

Local consumer centers across Japan have received numerous inquiries from consumers who are suddenly visited at home by businesses asking if the consumer would want to repair their homes, at no personal cost, using insurance money. These consumers, who have entered into contracts with such businesses, want to know if the businesses can be trusted. Cases also include trouble in which "construction was forcibly started without clear agreement on the work to be done" and "high cancellation fees were charged when attempting to cancel the contract."

The NCAC previously issued a consumer alert regarding such troubles in December 2012, and the General Insurance Association of Japan and other organizations have similarly called attention to the issue. Nonetheless, consumers should still exercise caution, as such incidents have continued to increase.

<Graph 4> Number of inquiries & complaints regarding trouble involving home repair services offering "to use insurance money"



Example Cases of Inquiries & Complaints

Case 1: According to their sales pitch, there would "no personal expense whatsoever if I used insurance money." I agreed to the contract, but now that I think about it, something doesn't seem right.

A business came to my home and noted that my gutters were broken. They suggested I repair my roof and said I could do it using money from my fire insurance. They explained there would be "no personal expense whatsoever if I used insurance money." They inspected the roof and gave me an estimate of 500,000 yen. We agreed that I would request insurance money from the insurance company and that they would do the work for the amount I received. The amount I received when I requested the insurance money was about 80,000 yen. Now that I think about it, something is not right if they have given me an estimate of 500,000 yen but can do the work for only 80,000 yen. I want to cancel.

(Contract signatory: man in his 70s)

Case 2: I can't understand the way this business operates so I want to cancel, but the cancellation fee is excessive.

A business told me that "fire insurance could be used to repair my home," so I asked them to repair my snow-damaged roof and interior. The written agreement with the business says that the entire sum of insurance money received must be immediately transferred to the business, and that if the customer decides not to perform the work, a 10% inspection fee and 30% penalty must be paid. Once the amount of insurance money is determined, the contract says they will perform whatever work is possible within that amount. That's why I'm supposed to pay the entire sum to the business. What I can't understand is why the full amount should be paid before the work is done. I have also asked them to do interior work as well, but I haven't received any written details on the work to be performed, nor has there been any discussion of the wallpaper. The business is saying they'll use something similar to the current wallpaper, so there is no need for discussion; once the money is transferred, they'll start the work, they say. I'm dissatisfied by this lack of any discussion about the work to be done. I can't understand the way this business operates so I'm thinking about canceling, but the cancellation fee is excessive so I'm not sure what I can do.

(Contract signatory: woman in her 20s)

Advice for Consumers

- (1) If you receive a sudden sales call from a business telling you that "repairs can be made, at no personal cost, using insurance money," do not sign an agreement without careful thought. Whenever making repairs on your home, regardless of whether or not you will use insurance money, always seek estimates from multiple businesses and only sign an agreement after carefully considering the work to be done and the nature of the contract.
- ※ The Center for Housing Renovation and Dispute Settlement Support has a "telephone consultation line" where consumers can make inquiries regarding renovation work. Before signing an agreement, consumers can fax or mail estimates to the Center to have them check it and provide advice on the estimate items/form and reasonableness of the estimated price.
- (2) When requesting fire insurance or other insurance money from an insurance company, consumers should always submit such requests themselves based on honest facts. If you are unsure about something, consult with your insurance company or insurance agent.
- (3) Unscrupulous businesses will try to move things forward without giving the consumer enough time to think. Be especially wary of businesses that rush you to sign a contract without adequate explanation, that demand you pay for the repairs in advance without a clear description of the work, or that rush you to let them begin work.
- (4) When you sign a contract for home repair or other services through door-to-door or telemarketing sales, you have an eight-day cooling-off period. Also, if you do not receive a proper legal document or for other similar reasons, your cooling-off period may be longer than eight days. Moreover, if you are charged an excessive cancellation fee based on a written contract, the portions of the contract may be invalid under the Consumer Contract Act. If you feel in any way nervous or skeptical, consult with your local consumer center immediately.

Reference) Inquiries regarding home repair services claiming to repair damages "under insurance coverage" are increasing! —Cases include 50% of insurance money being charged as cancellation fees and prepayments for repair work that is never conducted—
(Published December 06, 2012) http://www.kokusen.go.jp/pdf/n-20121206_1.pdf