



# NCAC NEWS

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## **(1) Consumer Affairs Climate**

### **The 38<sup>th</sup> Survey of Trends in People's Livelihood**

The National Consumer Affairs Center of Japan (hereinafter 'NCAC') conducted 'The 38<sup>th</sup> Survey of Trends in People's Livelihood' during the period from August to September, 2007, targeting housewives living in the government-designated cities and the 23 wards in Tokyo.

#### 1. Dissatisfactions and/or consumer damages relating to products and/or services

- 86.2% of respondents knew of NCAC and local consumer centers (65.3% came to know of these organizations through 'TV and radio' and 52.6% through 'newspapers and magazines').
- 77.4% wished NCAC and local consumer centers to address 'consumer issues relating to product safety' and 57.5% wished these organizations to tackle 'consumer issues relating to product solicitations and contracts.'
- 43.4% had experience whereby they felt dissatisfied or suffered damages from products and/or services.

#### 2. Living funds and financial products designated for post-retirement years

- 75.8% felt worried as regards living funds and household finance for post-retirement years due to 'a small public pension benefit.'
- 61.9% stated that they had 'no savings' other than the public pension in preparation for post-retirement years (73.6% said that it was because they were not financially 'well-off').
- Approximately half of respondents (49.5%) in their sixties had no savings besides the public pension (69.6% said that it was because they were not financially 'well-off,' 9.7% said that they had 'no idea how to start savings' and 8.7% believed that they 'would be able to live on the public pension').
- For prospective financial products other than the public pension, 42.5% of those who 'have been saving' for post-retirement years and those who 'have not started saving though intend to start' demonstrated high expectations towards 'savings type financial products,' 31.6% towards 'retirement benefits,' 27.2% towards 'private pension insurance products' and 26.5% towards 'life insurance products.'
- 20.6% experienced a problem in their households derived from a financial product within the last three years.

## (2) Activities of NCAC

### ① Product tests

#### **Safety of electric reclining beds**

In December, 2007, NCAC was notified of a fatal accident case whereby 'a four year old boy became caught between the mat and the head guard of an electric reclining bed by the neck and consequently suffocated and died.' NCAC released the first report outlining this accident.

Electric reclining beds that contain similar reclining features to the one involved in the aforementioned accident can be purchased at reasonable prices through the Internet. There are also more highly priced electric reclining beds available that adopt safety features functioning when a body part becomes caught up in the bed.

Under these circumstances, NCAC looked into differences in the structural safety of these products such as the bed and the remote control and also investigated levels of generated power when a body part becomes caught up while the bed is moving. NCAC then provided the necessary information to consumers.

The following explains the causes of the aforementioned accident as a result of the investigation:

- The aforementioned accident was believed to have taken place due to a malfunction in the remote control whereby the mat kept descending even though the descent button was not pressed.
- The malfunction in the remote control was triggered by a deformed component located in the push switch functioning in coordination with the descent button.

The below explains the findings of the test involving four brands of low priced products and two brands of high priced products containing safety features:

- The high priced products generated only a small amount of power when a body part became caught up and were designed to go into reverse after detecting something having being caught up. On the other hand, the low priced products generated considerable power when a body part was caught up between the head guard and the frame.
- Some products provided a remote control containing protruding operation buttons and, when a load was applied to such a remote control, these buttons received the load. Furthermore, the remote control and/or the main body of some products did not contain a main power switch and this enable such a product to be ascended or descended by pressing the ascent/descent button located in the remote control without turning on the main power.
- For remote controls of an identical type with the one involved in the aforementioned accident, the operation buttons demonstrated the identical malfunction when applying a large load onto it from the top when it laid facing down.

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

- Unplug the power chord when the product is not in use or when you have to leave the bed.
- Do not fiddle with the bed and the remote control. Recline the bed only after confirming that there is no one or no obstacle nearby.

Furthermore, NCAC made the following requests to the industry and governmental organizations:

- Products containing safety features need to be manufactured and distributed.
- For the purpose of preventing the occurrence of similar accidents, low priced products need to be redesigned to generate less power when a body part is caught up.

### ② Surveys

#### **The cap of a bottle containing unrefined sake flew off upon opening, causing injuries (including the case of a bruise to the ocular fundus)**

PIO-NET (Practical living Information Online-NETwork) discovered that a serious injury case of a bruise to the ocular fundus was caused by a cap of a bottle containing 'unrefined sake' having flown off when the bottle was

opened. NCAC assumed that consumers were not adequately informed of the possibility of the cap of a bottle containing unrefined sake flying off upon opening as it is the case for caps of sparkling wine and Champaign. NCAC thus provided advice to consumers to make sure to read the caution labeling of products and to ensure that there is no one or no object nearby when opening the bottle.

### **Fall in a bathtub by slipping in the bath water containing a bath agent (including the case of compound fractures)**

PIO-NET learned of an accident case whereby a consumer slipped and fell in the bathtub that contained a bath agent. There was also a case of a serious injury whereby a consumer suffered compound fractures.

NCAC investigated as to whether or not the bath water containing a bath agent bears a stronger risk of slipping in comparison with 'plain hot water.' NCAC also looked into bath agent products to discover if there were any product labeling provided relating to the risk of slipping. NCAC then provided warnings to consumers. Furthermore, NCAC made the following requests to the industry: For products that have a high risk of slipping that may consequently cause a fall, ways need to be worked out in order to display easy-to-recognize warning labeling regarding such a risk. Product labeling also needs to be reviewed so as to contain precautions for the elderly, children and pregnant women as well as recommendations to frequently clean bathtubs.

### **New fictitious billing methods whereby a consumer is notified to be liable to criminal charges due to a purchase of a DVD**

Since early December last year, local consumer centers located throughout Japan have been receiving consumer inquiries and complaints with respect to a "notice of oral proceedings" that was forwarded from a law firm and appropriate handling of such a case.

In a number of cases, the forwarded notice contained a statement such as the following: 'In the event of a mail order operator having being arrested recently, we have come to learn that you have purchased an indecent DVD through the relevant operator in the past. Hence, you are liable to criminal charges as a conspirator.' In contrast with conventional fictitious billing methods, whereby a business operator threatens a consumer to bring a civil lawsuit due to the consumer having committed a nonpayment of a product which was claimed to have been purchased by the consumer, a business operator using new fictitious billing methods notifies a consumer that he or she will be liable to criminal charges such as imprisonment and/or a fine unless the consumer communicates with the operator. These are newly employed fictitious billing methods designed to increase the level of concern held by a consumer.

NCAC provided the following information to consumers in order to prevent further consumer damages:

- Never make any contact; otherwise, you may be asked to make a payment and/or to provide your personal information.
- Consult with the nearest local consumer center if you discover anything doubtful or feel concerned.

Furthermore, it is necessary to stay alert as a similar document could be re-sent in the future by changing the details slightly such as the lawyer's name, the law firm's name, the mail order company's name, the address or the contact number.

### **A series of new unjustified billings based on 'personal information'**

It has been approximately three years since the law relating to personal information protection (hereinafter the 'Personal Information Protection Law') was fully enacted in April 2005. According to the poll conducted by the Cabinet Office as regards personal information protection, the level of recognition of the Personal Information Protection Law was quite high reaching approximately 80%. On the other hand, approximately 70% felt worried that 'their personal information may have been used for unanticipated purposes.' It was revealed that a great number of people feel anxious about the handling of their personal information.

A series of new unjustified billings have been appearing one after the other based on 'personal information' by taking advantage of people's anxieties. For the purpose of preventing further consumer damages, NCAC provided

information to consumers concerning the current status of new unjustified billings and points to keep in mind.

#### Advice for consumers

- Public institutions do not bill fees required to delete personal information.  
As public institutions do not outsource for private business companies to delete personal information, do not transfer money to make a payment to a company that has billed you. Do not make any appointment, either. It is best to ignore such billings.
- Deletion of leaked personal information is impossible.  
It is practically impossible to completely delete leaked personal information. Although it depends on the contents of the leaked personal information, it is not necessary to become excessively anxious about your stolen information. Even if your personal information such as your name, address or telephone number has been stolen without your knowledge, it is less likely that such information may cause you a direct financial damage. Although stolen information could be used for the purpose of fictitious billing, it is crucial that you deal with any unjustified billing firmly.  
In the quest for self-protection, various services are available to be utilized such as incoming call number display services and call rejection services that are provided through telephone companies.  
In addition, record any threatening telephone conversations to gain evidence.
- When running into a problem:  
Consult with the nearest inquiry counter handling personal information, local consumer center and/or police if you discover anything doubtful or suspicious.

### **The increasing number of consumer inquiries and complaints relating to cable television**

In Japan, terrestrial analog television is planned to cease broadcasting by July, 2011 and the number of consumer inquiries and complaints relating to cable television have accordingly been increasing year by year. The contents of these inquiries and complaints are associated with the solicitations of a cable television membership insisting that 'you will not be able to watch TV after the launch of the terrestrial digital television broadcast' and 'there is no need to switch to terrestrial digital television if gaining a membership with cable television.' There are a notable number of cases whereby a consumer concluded a contract without having the thorough knowledge of the contract contents and this trend is particularly seen in the elderly in their seventies and above. Under these circumstances, NCAC provided the following information to consumers in order to prevent further consumer damages:

- Current status
  - Since the Fiscal 2003, PIO-NET has received 7,941 cases of consumer inquiries and complaints relating to cable television and the number of these is increasing year by year (there were 1,349 cases as of the end of November, 2007, demonstrating a year-on-year increase of approximately 20%).
- Background and problematic areas
  - A business operator increased the level of anxiety of a consumer in order to conclude a contract in some cases.
  - In general, consumers are not adequately informed regarding terrestrial digital television reception methods.
  - A consumer concluded a contract without having a full understanding of the contract contents in some cases.
- Advice for consumers
  - Do not believe it even if you are told that 'you will no longer be able to watch TV after the launch of the terrestrial digital television broadcast.'
  - Make sure to learn and understand the contents of the contract.
  - Consult with the nearest local consumer center if you discover anything doubtful.

## **A spate of problems involving plumbing repair services**

A number of problems can take place in the plumbing system such as in the kitchen, bathroom and/or toilet and problems include water leakages from taps or blockages in pipes. In the event of such a problem, it is often the case to look up distributed advertisements and flyers and/or advertisements in telephone books to find a plumber appearing to provide services at a 'low cost.' However, there have been spates of consumer inquiries and complaints relating to plumbers called to provide services in an emergency situation concerning their fees and services provided.

Under these circumstances, NCAC provided the following information to consumers in order to prevent further consumer damages:

- Number of consumer inquiries and complaints  
As for plumbing repair services provided to a consumer who called the plumber by looking at advertisements such as flyers, PIO-NET received 1,104 consumer inquiries and complaints in the Fiscal 2006 and 795 in the Fiscal 2007 (there were 522 cases in the corresponding period of last year, demonstrating a year-on-year increase of 273 cases with an increase rate of 52.3%). In this manner, the number of consumer inquiries and complaints shows an upward trend year by year.
- Case examples of consumer inquiries and complaints
  - After looking through distributed advertisements, flyers and telephone books, the consumer called a plumber advertising '*Water leakage repair service – Base rate: From 3,000 yen.*' The consumer asked the plumber to perform the repair by assuming that the fees would be reasonable though was charged at a surprisingly high rate.
  - The consumer called a plumber to have a water leakage and pipe blockage repaired. However, the plumber did not explain the causes or status of the problems in a sufficient manner but insisted that the installation needed to be replaced. The consumer consequently concluded a contract which bore high costs.
  - When making a complaint to the company, the consumer was intimidated and payment was demanded. The consumer felt threatened and paid what the company asked for.
- Advice for consumers
  - Do not believe the rate advertised as there may be other costs involved.
  - Select a plumber that presents clear details of services and fees.
  - Do not be in haste to make a decision if recommended to undergo work that is different from your initial intension.
  - Be prepared for an emergency by learning where the main tap and the water shut off valve are located.
  - Consult with a local consumer center if facing any problems.