

Singapore's Lemon Law Takes Effect On 1 September 2012

Amendments to Consumer Protection (Fair Trading) Act, Hire Purchase Act and Road Traffic Act, commonly referred to as "Lemon Law" will provide more options of recourse for both consumers and retailers

1. Singapore's "Lemon Law", passed in Parliament on 9 March 2012, will come into effect on 1 September 2012. The new legislation will provide more options in terms of recourse for both consumers and retailers through additional remedies, such as repair and replacement, and provide greater clarity on the burden of proof for defective goods.
2. Minister of State for Trade and Industry Teo Ser Luck, who visited home furnishing retailer IKEA as it geared up for the changes, said, "With the new Lemon Law, consumers and retailers now have more options of recourse for defective goods. I encourage everyone to familiarise themselves with the provisions under the Law. At the same time, we also want to ensure that businesses are not subject to frivolous claims and that limitations and safeguards are in place. Consumers and retailers can also refer to the Lemon Law Consumer Guides prepared by Consumers Association of Singapore (CASE), Trade Associations and MTI to better understand the recourse available and limitations under the Law. The new provisions will improve the consumer-retailer relationship and the overall retail experience in Singapore as businesses improve their sales and service processes, while consumers are more aware of options for fair recourse."
3. CASE President Lim Biow Chuan said, "We believe the clearer options provided for in the lemon provisions of the Consumer Fair Trading Act will benefit both consumers and retailers as disputes relating to defective goods can be more speedily resolved."

Outreach to Consumers and Retailers on New "Lemon Law"

4. Since the Bill was passed in Parliament, various outreach activities, including roadshows, seminars and new educational collaterals, have been prepared and organised to help both consumers and retailers better understand the new Lemon Law and its two-stage recourse framework. In gist, the framework provides options in the first stage for repair or replacement of the defective goods, or if that is not possible, price reduction or a refund to the consumer as the second stage.

Other outreach efforts include:

- a. **Roadshows and Seminars:** The Ministry of Trade and Industry (MTI) and the Consumers' Association of Singapore (CASE) have organised some 40 seminars and roadshows to brief consumers and retailers on the new Law. About 5,000 people, including representatives from 700 companies and organisations, were briefed about the recourse available through the Lemon Law as well as its limitations. Another 15 additional briefing sessions are expected to be held over the next 2 months.
- b. **Lemon Law Consumer Guides:** Over the past months, MTI has also worked with CASE and various Trade Associations¹ to develop Lemon Law consumer guides which will explain consumers' rights under the law, and the limitations and safeguards against frivolous claims. These guides will be available at supermarkets and places like community centres and shopping centres². As part of his visit to IKEA today, Mr Teo also shared the new Lemon Law Consumer Guides for General Goods and Motor Vehicles with customers at the store.

Please refer to the Lemon Law Consumer Guide for General Goods in [Annex A](#) and the Lemon Law Consumer Guide for Motor Vehicles in [Annex B](#) for more details.

On-going Engagement with Retailers and Motor Traders

5. Before the Bill was finalised, Focus Group Discussion (FGD) sessions were held in November 2011 to solicit feedback from the industry. The FGDs were attended by participants from the Association of Small and Medium Enterprises, Singapore Retailers' Association (SRA), Singapore Vehicle Traders' Association (SVTA) and the Singapore Motor Cycle Traders' Association (SMCTA). As part of further engagement, consultation sessions have been held with representatives from the SRA, SVTA and the Automobile Importer and Exporter Association to clarify additional queries pertaining to the Law.

6. SRA Executive Director Lau Chuen Wei affirms that "the Singapore Retailers' Association always advocates professionalism amongst its members, and encourages them to have the interests of their customers at

¹ The Trade Associations include Association of Small and Medium Enterprises (ASME), Singapore Retailers' Association (SRA), Singapore Vehicle Traders' Association (SVTA) and Automobile Importer and Exporter Association.

² The Lemon Law Consumer Guide for General Goods and Guide for Motor Vehicles will be available at supermarkets such as NTUC FairPrice, community centres, shopping centres, CASE's outreach events, CASE's website, CASE's customer service counters, CaseTrusted retail companies, CaseTrust-SVTA motor companies (for motor vehicle guides), as well as through Trade Associations such as SRA, ASME and SVTA.

heart. It is hoped that such legislation will pave the way for both retailers and customers to act even more responsibly, to be accountable to themselves as well as to others, making the shopping experience an enjoyable one for one and all."

MINISTRY OF TRADE AND INDUSTRY
31 August 2012

Lemon Law Consumer Guide for General Goods

- Repair or replacement is impossible or unreasonable to the seller (e.g. if the repair or replacement is disproportionately costly), or
- The seller did not provide repair or replacement within a reasonable period and without significant inconvenience to the consumer

STAGE 2

The Consumer may:

- keep the defective goods and request a **reduction in price** or
- return the defective goods for a **refund***

** The seller may propose a reasonable deduction from the refund for the use that the consumer has had of the goods. The seller may make the refund in cash or using the same mode of payment as the original transaction, e.g., if the payment was made in cash, the consumer has a right to a refund in cash. The consumer may choose to accept vouchers or a credit note, if offered, if the consumer made payment using credit or vouchers, the seller can choose to refund via credit or vouchers.*

Note: The Lemon Laws do not prevent the consumer from seeking remedies under other laws e.g. the right to reject non-conforming goods under common law. If the consumer has sought any remedy from the seller under the Lemon Laws, he must give the seller a reasonable time to provide the remedy before seeking remedies under other laws.

IMPLEMENTATION

- Effective date: **1 September 2012**
- The Lemon Law provisions will be added to the Consumer Protection (Fair Trading) Act, with related amendments to the Hire Purchase Act and Road Traffic Act (for provisions governing motor vehicles).

MAKING A CLAIM

- Where legal action is required, consumers as well as sellers may seek recourse through the Small Claims Tribunal (SCT), if the claim amount is \$10,000 or less (or \$20,000 by agreement of the parties).
- Consumers must lodge their claim with the SCT within one (1) year of the delivery of the goods.
- The SCT cannot hear claims for hire-purchase goods regardless of the amount claimed. Recourse can be sought in other courts or through mediation.

FOR ASSISTANCE

- Consumers may approach the Consumers Association of Singapore (CASE) to seek guidance on whether their claim is reasonable and supportable under the law.
- They may also consider mediation at CASE as an alternative dispute resolution mechanism for disputes with sellers.

For more information on the Lemon Law, refer to CASE's website at www.case.org.sg or the Ministry of Trade & Industry's website at www.mti.gov.sg



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LEMON LAW

WHAT YOU SHOULD KNOW



WHAT ARE "LEMON LAWS"?

Lemon Laws provide remedies against goods that fail to conform to contract at the time of delivery (e.g. through breach of express terms of contract or implied condition of satisfactory quality).

Examples:

- 1) Seller promised that the product has certain specifications, or is fit for a particular purpose which, in fact, it did not satisfy.
- 2) Product was defective or of unsatisfactory quality upon delivery.

Note: The Lemon Laws do not apply if the defect was specifically pointed out to the consumer before purchase, or an examination should have revealed the defect when the buyer examined the goods before the contract was made. Consumers are therefore strongly advised to conduct visual inspection of the products prior to or at the point of purchase.

WHAT TYPES OF GOODS ARE COVERED?

All personal properties other than things in action and money including:

- Purchase of physical goods including purchases through online platforms.
- Secondhand goods and vehicles.
- Display sets, discounted items with minor defects, or sale items which are indicated "non-refundable" or "non-exchangeable".
- Goods purchased under hire-purchase or conditional sale agreements, but not rented or leased goods.

WHAT IS NOT COVERED?

- Services
- Rental/leased goods
- Real estate property
- Consumer to Consumer transactions
- Business to Business transactions

6-MONTH TIMEFRAME

Unless the seller can prove otherwise, a defect proven to exist within **six (6)** months of delivery is presumed to have existed at the time of delivery. Beyond the six-month period, the consumer needs to show that the defect existed at the time of delivery in order to make a claim under the Lemon Law.

Note: For goods that have an expected life span of less than 6 months, normal deterioration beyond the life span of the goods will not be taken as a defect existing at the time of delivery.

Note: The consumer may be asked to prove from whom and when he bought the goods. Consumers are therefore advised to keep their receipts as proof of purchase.

SITUATIONS WHEN THE LEMON LAW DOES NOT APPLY

Consumers are not entitled to a remedy if:

- They damaged the item, e.g. the defect was caused by the consumer through misuse, inappropriate storage or care or unauthorized repair



- The fault was caused by wear and tear or natural deterioration.
- They knew about the fault before they bought the goods (e.g. the defect was specifically pointed out to them before purchase, or was obvious and would have been spotted upon inspection at the point of purchase)
- The goods are not defective but the consumer simply changed his or her mind or found the item to be unsuitable for a special purpose (unless the purpose was made known to the seller)

Note: In some cases, Sellers may seek recourse against the consumer and/or bar the consumer from their premises for causing a nuisance. Fraudulent claims may give rise to criminal liability.

2-STAGE RECOURSE FRAMEWORK

STAGE 1

The consumer may first ask the seller to **repair** or **replace** the defective goods within a reasonable period of time and without significant inconvenience to the consumer. The seller may choose an alternative remedy to the one requested by the consumer if the chosen remedy by the consumer is impossible or unreasonable to the seller. For products with manufacturer's or distributor's warranty services, the seller can provide remedies via these warranty services.

The consumer may seek the **STAGE 2** remedies only if:

- 商家无法对产品进行维修或更换或对商家来说不合理（例如维修或更换缺陷产品的费用非常高），又或者
- 如果商家没有在合理的时间内维修或更换缺陷商品，或没有办法在不给消费者带来严重不便的情况下进行维修或更换。

第二步骤

消费者可以：

- 保留缺陷商品和要求减价或者
- 退货退款*：

* 若消费者已使用该商品，商家可建议从退款中扣除合理数额。商家可以现金或原先交易所用的付款方式退款。例如：若消费者用现金付款，他们有权要求以现金退款。不过，消费者也可选择接受礼券或信用票据。若消费者用礼券或信用票据付款，商家就可选择其一。

“柠檬法”（产品缺陷法）不会替代现有其他法律框架下已有的追讨行径，如产品销售法或普通法。如果消费者在产品缺陷法下寻求追讨行径，他须给予商家合理时间处理。若不行，才寻求其他法律途径。

法令的实施

- 生效期：二零一二年九月一日
- 新规定将被列入保护消费者（公平交易）法令当中，对租用购买法令和陆路交通法令（与车辆有关的条例）也作了相应的修改。

提出索偿

- 若消费者或商家须采取法律行动，他们可通过小额索偿庭（SCT）寻求支助。小额索偿庭可接受高达一万元的索偿（若得到各方同意，索偿额可高达两万元）。
- 消费者须于产品送抵时的一年之内向小额索偿庭索赔。
- 不过，小额索偿庭无法处理以租用购买方式购得的缺陷物品（不分索偿的多寡）。消费者可到其他法院或通过调解来寻求解决方案。

咨询服务

- 消费者可到新加坡消费者协会（CASE）咨询索偿是否合理和在法律下成立。
- 他们也可考虑通过消协寻求调解，作为和商家发生争端的另一解决方法。

欲知更多有关柠檬法的详情，请查阅消协网站 www.case.org.sg 或贸工部网站 www.mti.gov.sg



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了解“柠檬法” （产品缺陷法）



什么是“柠檬法”（产品缺陷法）？

当产品在送抵时与合约不符，例如违反了合约上的明文规定，或不符合满意品质和性能的隐含条件。特别是经过了多次维修都无法合理操作时，产品缺陷法（俗称“柠檬法”）将给予消费者某些权利。

例如：

- 1) 供应商承诺货品的某些规格，或符合该类产品的使用用途，但实际上却没有。
- 2) 货品送抵时发现损坏或品质不符合令人满意的标准。

***注：**若消费者在购买产品前已经知晓产品有缺陷，或在检验货品时应该发现产品缺陷，消费者不能通过“柠檬法”索赔。消费者应该在购买前或付费时验货，确保货品完好无损。

产品缺陷法包括哪种产品？

所有的私人产品，包括以下产品，但不包括法律权利和金钱：

- 实质物品，包括通过网上平台购买的物品。
- 二手产品和车辆。
- 用作展示用途的产品，有微小缺陷的降价产品，或标明“不能退货”或“不能更换”的特价产品。
- 租用购买合约下的产品或含附带条约售卖协议下购买的货品，但不是出租或出赁的产品。

产品缺陷法不适用于哪种产品？

- 服务
- 出租和租赁的产品
- 房地产
- 消费者对消费者的交易
- 企业对企业的交易

六个月内的时间框架

产品在送抵后六个月内如果被发现有缺陷产品，将会被认定在产品送抵时就已存有缺陷，除非商家能够提供证明推翻此认定。如果消费者在六个月后才发现缺陷，他必需证明产品在送抵时已含有缺陷，才能于产品缺陷法下提出索赔。

***注：**货架时间少于六个月的产品，如消耗品和食品的保质期一般不会超出普通的货架时间。在这类情况下，产品在送抵时遭损坏的假设并不成立。

为确保索赔时能证明产品购买的时间和地点，消费者应保留发票为消费纪录。

在什么情况之下，消费者将无法索赔？

如果发生以下情形，消费者将无法索赔：



- 自己损坏了产品，例如使用和保存失当或未经认可的维修而造成产品损坏。
- 产品的缺陷源自消费者的穿戴、使用或自然耗损，而并非产品的潜在缺陷。
- 消费者在购买产品前已经知晓产品有缺陷（例如商家在购买前已向他们具体说明缺陷，或缺陷过于明显，购买时若有检查必可发现。）
- 消费者随意改变主意，不再想要该产品，或认为产品不适用于某个特别用途，并非因为产品的潜在缺陷。

***注：**在某些情况下，零售商能对消费者寻求追讨行径，或防止他们进入场所胡闹。欺诈性索赔可能会引起刑事法律责任。

消费者的法律权利-两步骤

第一步骤

消费者可以先向商家提出在合理的期限内，和在不对消费者造成诸多不便的情况下，对缺陷产品进行维修或更换。若消费者要求的比另一项选择的成本高出许多或不合理，商家可以选择另一补偿方法。产品若在保证期内，商家也能通过出产商和批发商的保证服务对缺陷产品进行维修或更换。

若符合以下情况，消费者可以寻求第二步：

Lemon Law Consumer Guide for Motor Vehicles

IMPLEMENTATION

- Effective date: **1 September 2012**
- From 1 September 2012, the Lemon Law provisions will be added to the Consumer Protection (Fair Trading) Act, with related amendments to the Hire Purchase Act and Road Traffic Act (for provisions governing motor vehicles).
- The Road Traffic Act and regulations will be amended to allow transfer of the Certificate of Entitlement (COE) from a defective vehicle to a replacement vehicle and the Additional Registration Fee (ARF) to be set off against the ARF of the replacement vehicle. *

*Conditions apply.

ADVICE TO CONSUMERS

If you are considering buying a secondhand car, consider the following:

- Thoroughly inspect the car and ascertain its mechanical condition and safety
- If in doubt, bring along someone knowledgeable or get an independent report on its condition
- Check on the accuracy of claims made on the car. For example, claims on the mileage clocked should be checked against the reading on the odometer.

- Check on the history of the car, including its service records.
- For vehicles on hire purchase, in accordance with industry practice, the consumer can first seek recourse from the dealer directly, failing which, he can then seek assistance from the finance company/bank.



A joint educational effort by:



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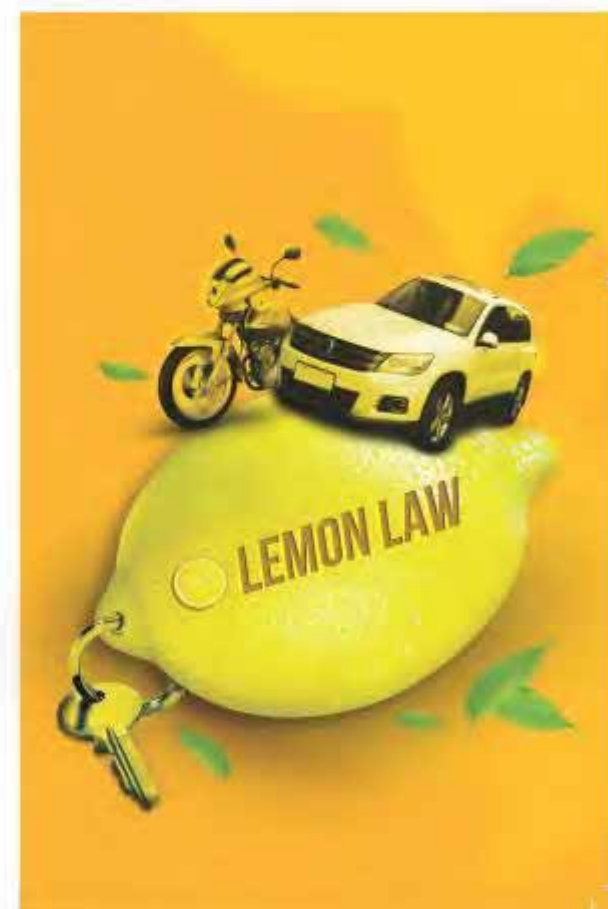


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LEMON LAW & MOTOR VEHICLES



WHAT ARE "LEMON LAWS"?

Lemon Laws provide remedies against goods that fail to conform to contract at the time of delivery (e.g. through breach of express terms of contract or implied condition of satisfactory quality).

'Satisfactory quality' means that the car should be of a standard that a reasonable person would expect, taking into account relevant circumstances such as the following:

- Age of the car
- Purchase price
- Car's history
- Car's mileage
- Car's intended use
- Make and model
- Durability
- Safety
- Any descriptions made about the car.

ARE SECOND-HAND VEHICLES COVERED?

Yes, second-hand vehicles are covered.

TIMEFRAME

Unless the motor vehicle dealer can prove otherwise, a defect proven to exist within **six (6)** months of delivery is presumed to have existed at the time of delivery. Beyond the six-month period, the consumer needs to show that the defect existed at the time of delivery in order to make a claim under the Lemon Law.

2-STAGE RECOURSE FRAMEWORK

STAGE 1

The seller may first offer to **repair or replace** the defective vehicle within a reasonable period of time and without significant inconvenience to the consumer.

STAGE 2

The consumer may keep the defective vehicle and request a **reduction in price**, or return the defective vehicle for a **refund*** if:

- Repair or replacement is not possible or reasonable to the seller (e.g. if the repair or replacement is disproportionately costly), or
- The seller did not provide repair or replacement within a reasonable period and without significant inconvenience to the consumer.

**NB: The amount refunded will depend on the use the consumer had of the vehicle.*

SITUATIONS WHEN THE LEMON LAW DOES NOT APPLY

Consumer to consumer transaction are not covered under Lemon Law.

Consumers are not entitled to a remedy if:

- They damaged the vehicle, e.g., through misuse or unauthorised repair.



- The fault was caused by wear and tear, and not an inherent defect.
- They knew about the fault before they bought the vehicle. (e.g. Defect was specifically pointed out to them before purchase, or was obvious and would have been spotted upon inspection at the point of purchase)
- They simply changed their mind and no longer want the vehicle.

CASE EXAMPLES

- 1 A consumer discovers that a 1 year old car he bought 3 months ago is faulty. He takes it to the dealer who agrees to repair the car. The dealer takes over two months to repair the car but the fault persists.

The consumer in these circumstances may request a replacement car or a refund instead because the repairs have not remedied the fault, were not carried out within a reasonable time and have caused significant inconvenience to the consumer.

- 2 A consumer purchased a three-year old car with 30,000 km mileage for \$70,000. The car was described by the seller as being in 'very good condition', and no related faults were highlighted to the consumer.

If after four months the car starts stalling or is unable to start, it is unlikely to have been of satisfactory quality when purchased, and the seller will need to provide recourse to the consumer, unless he can prove otherwise.

法令的实施

- 生效期：二零一二年九月一日
- 自二零一二年九月一日起，新规定将被列入保护消费者（公平交易）法令当中，对租用购买法令和陆路交通法令（与车辆有关的条例）也作了相应的修改。
- 陆路交通法令也作了相应的修改，允许拥车证从一辆损坏的车辆转移到另一辆替换汽车，而替换车的额外注册费也可被抵消。*

*附加条件。

对消费者的劝告

若您正考虑购买一部二手车，请考虑：

- 详细检查车子，确保机械功能操作正常和安全
- 若有疑虑，不妨带一个对汽车有研究或拥有相关知识的人一同前去，又或者通过独立报告来了解车子的质量
- 查看有关卖方声称的准确性。例如，检查里程表上的读数以确保里程记录的准确度。
- 检查车子的使用程度，包括所有维修记录。

- 依照惯例，对于租用购买的车子，消费者可以先直接向车商寻求追讨行径。否则，他可向金融机构或银行寻求援助。



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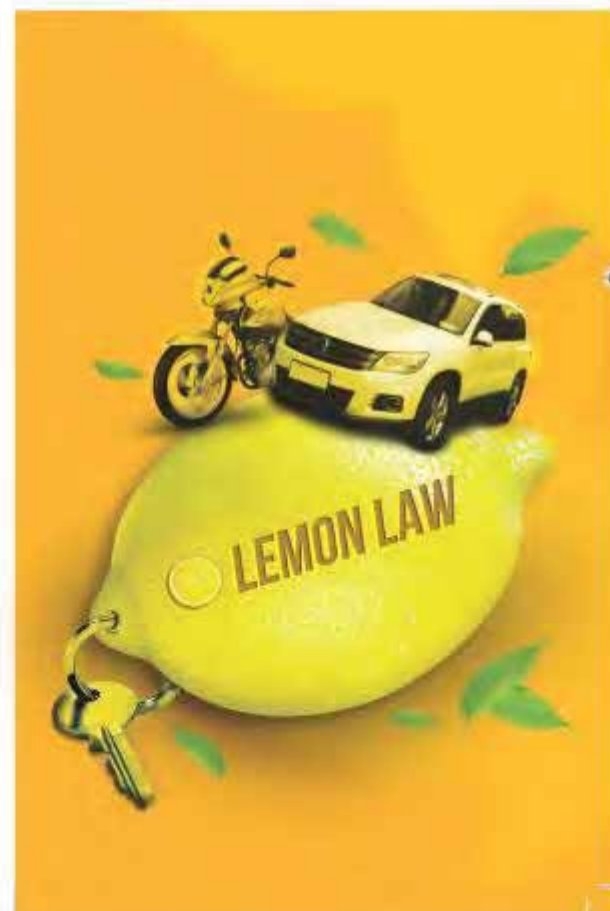


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“柠檬法”与汽车销售 (了解产品缺陷法)



什么是“柠檬法”产品缺陷法?

当产品在送抵时与合约不符,例如违反了合约上的明文规定,或不符合满意品质和性能的隐含条件。特别是经过了多次维修都无法合理操作时,产品缺陷法(俗称“柠檬法”)将给予消费者某些权利。

“令人满意的产品质量”是指,汽车须符合一个合理的消费者所认定的满意标准。

纳入考量的可包括:

- 车子的年龄
- 汽车品牌和型号
- 车子的价格
- 耐久性
- 车子之前有无损坏、瑕疵或维修
- 安全性
- 其他有关车子的形容
- 汽车的里程
- 汽车设计用途

二手车辆是否包括在内?

是的,产品缺陷法也包括二手车辆。

时间框架

车辆在送抵后六个月内如果被发现是缺陷产品,将会被认定车辆在送抵时就已存有缺陷。除非车商能够提供证明推翻此认定。如果消费者在六个月之后才发现缺陷,他必需证明车辆在送抵时已含有缺陷,才能于产品缺陷法下提出索赔。

消费者的法律权利-两步骤

第一步骤

商家可以先提出在合理的期限内,和在不对消费者造成诸多不便的情况下,对存在缺陷的车辆进行维修或更换。

第二步骤

若符合以下情况,消费者可以保留该存在缺陷的车辆和要求减价或退货退款*:

- 商家无法进行维修或更换或对商家来说不合理(例如维修或更换车辆的费用非常高),又或者
- 如果商家没有在合理的时间内维修或更换缺陷商品,或没有办法在不给消费者带来严重不便的情况下进行维修或更换。

*注:退款的金額依据车子的使用程度而定。

在什么情况之下,消费者将无法索赔?

“柠檬法”(产品缺陷法)不适用于消费者对消费者的交易。

如果发生以下情形,消费者将无法索赔:

- 自己损坏了车辆,例如使用失当或未经认可的维修而造成产品损坏。



- 车辆的缺陷源自长时间使用而造成的耗损,而非车辆的潜在缺陷。
- 消费者在购买车辆前已经知晓车子有缺陷(例如商家在购买前已向他们具体说明缺陷,或缺陷过于明显,购买时若有检查必可发现。)
- 消费者随意改变主意,不再想要该车辆。

个案说明

- 1 消费者发现三个月前买下的车子已出现故障,而车子只出产了一年。后来车商答应维修车子,并花了两个多月维修,故障却依旧存在。

在这种情况下,消费者能够要求车商替换车子或退款。这是因为维修无效,卖方没有在合理的时间内维修缺陷商品,而且还给消费者带来了极大的不便。

- 2 消费者用七万新元购买了一辆出产了三年,并拥有三万公里里程的汽车。在卖方的形容下,车子的状态良好,并在消费者购买车子前,没带出所存在的缺陷。

如果四个月后车子开始抛锚或无法启动,车辆将被认定在送抵时已含有缺陷。商家需要对消费者提供“柠檬法”的补偿方式,除非商家能提供证明推翻此认定。