

CCS Guide on Quality-related Claims

This Guide on Quality-related Claims (“**the Guide**”) is provided by the Competition and Consumer Commission of Singapore (“**CCS**”) to help suppliers avoid engaging in unfair trade practices defined under the Consumer Protection (Fair Trading) Act 2003 (“**CPFTA**”) when making claims on quality of their products¹ or businesses.

1. Scope

- 1.1 When suppliers market their goods and services, it is common for claims on the qualities, uses and benefits of their products, or even their business in general, to be made. Such claims are referred to generally in this Guide as “**Quality-related Claims**”.
- 1.2 Quality-related Claims can be made in a variety of ways, including words, images, symbols, brand names, certifications, certification stamps or logos. Quality-related Claims can be included in all forms of marketing material to consumers, in various forms of media (including traditional print media, online and even social media), and can also be found on goods themselves or any accompanying packaging. The overall impression that a reasonable consumer will form from the information presented by the supplier in making any Quality-related Claim needs to be considered.
- 1.3 This Guide applies to Quality-related Claims (hereinafter (“**QRC**”)) made by suppliers in relation to consumer transactions in Singapore.²
- 1.4 In this Guide, a “supplier” refers to any business (including its employee or agent)³ such as manufacturers, wholesalers, distributors and retailers.
- 1.5 Quality-related Claims made by suppliers should be genuine and supported by valid and credible evidence. Suppliers should also strive to provide clear, accurate and sufficient information in Quality-related Claims to enable consumers to make informed decisions.

2. Unfair Trade Practices under the CPFTA

- 2.1 Consumers who encounter unfair trade practices including those relating to QRCs should first seek assistance from the Consumers Association of Singapore (“**CASE**”). If such claims were made in advertisements, consumers should also first report such claims to the Advertising Standards Authority of Singapore (“**ASAS**”).

¹ In the Guide, a product can refer to a good or service.

² Part 2 of the CPFTA does not apply unless (a) the supplier or consumer is resident in Singapore; or (b) the offer or acceptance relating to the consumer transaction is made in or is sent from Singapore

³ Refer to section 2(1) of the CPFTA for the legal definition

- 2.2 The use of misleading or false QRCs made by a supplier in relation to a consumer transaction can be an unfair practice.⁴ CCS's role is to investigate and take appropriate action in egregious cases. It is empowered under the CPFTA to investigate errant suppliers and take court proceedings⁵ to stop them from engaging in unfair trade practices.
- 2.3 When conducting investigations, CCS will consider whether the supplier has made genuine efforts and taken reasonable steps to verify the accuracy of any information that it relied on and whether the supplier has acted reasonably in making the claim. In assessing whether the steps taken are reasonable and whether the supplier has acted reasonably, CCS will consider the business's scale and resources available to the supplier.

3. Guiding Principles

- 3.1 To help suppliers steer clear of unfair trade practices under the CPFTA, suppliers can use the following five broad guiding principles when making QRCs. Examples are provided in the Annex to contextualise the application of these guiding principles. Suppliers should refer to the corresponding examples in the Annex to better understand the guiding principles.

Guiding Principle 1: Claims should be true and accurate

- 3.2 Suppliers should ensure that the QRCs that they make are true and accurate.
- 3.3 Suppliers should not mislead consumers on the need for goods or services.
- 3.4 Suppliers should ensure that claims made on sponsorships and affiliations in relation to the supply of their goods or services to consumers are true, accurate and up-to-date.
- 3.5 In marketing their products to consumers, suppliers may claim that their products or businesses are certified, conform to certain standards or are approved by a particular authority. Suppliers should ensure that such claims are true, accurate and up-to-date. Suppliers should be careful not to mischaracterise the nature or extent of certification or approval obtained in their claims.
- 3.6 Suppliers should not make claims which set out an ambition of reaching certain goals in marketing their products if it is not reasonably possible for them to achieve them or if they do not intend to meet the claimed ambitions or goals.
- 3.7 Suppliers should consider the overall impression conveyed or implied and not overstate or exaggerate the claimed quality, benefit or need of their products.
- 3.8 Before communicating any QRC to consumers, suppliers should take reasonable steps to verify that the information provided to them for that QRC is true and accurate. A supplier should also not refer any consumer to general information or articles by a third-party on a particular attribute of its product, unless the supplier has taken reasonable steps to verify that the information is applicable to the product and is true and accurate.
- 3.9 Suppliers should take reasonable steps to periodically review their QRCs to ensure that they remain true and accurate.

⁴ Refer to section 4 of the CPFTA for the legal definition of an unfair trade practice

⁵ Refer to sections 9 and 10 of the CPFTA

Guiding Principle 2: Claims should be clear and easily understood

- 3.10 QRCs should be unambiguous and easily understood by the average consumer. Vague, broad and ambiguous QRCs are more likely to be misleading as they are unspecific and prone to overstatement or exaggeration as to the actual qualities, uses or benefits of the product.
- 3.11 Suppliers should consider how a reasonable consumer will perceive the QRCs and the manner in which consumers are likely to understand them. Suppliers should not use terms, symbols or imagery in a different context from how consumers would commonly understand them, so as not to mislead consumers on the claimed or implied benefit.
- 3.12 Suppliers should avoid using self-declared labels (i.e. labels that are created by a supplier without any independent third-party certification) in a manner which may mislead consumers into thinking that the suppliers' products or businesses have been independently verified to meet certain standards. If suppliers use any self-declared labels, they are encouraged to be upfront and transparent to consumers that the products or businesses which the labels are applied on were evaluated based on internal criteria and be prepared to specify and produce documents that substantiate the criteria and evaluation process if asked. In appropriate cases, self-declared labels can mislead a consumer and can amount to an unfair practice.
- 3.13 QRCs may be misleading if they are confusing or worded in a way that is difficult for the average consumer to understand. This can arise when technical words or expressions are used. Where such technical words or expressions are used, suppliers should explain them to consumers using plain and ordinary language, unless their meaning is clear and widely understood by consumers. Suppliers should also not make up technical terms to mislead consumers that their goods, services or businesses are better than they are.

Guiding Principle 3: Claims should be meaningful

- 3.14 QRCs should be meaningful and helpful to the consumer. If they merely highlight mandatory, standard or insignificant attributes of the product, they are unlikely to be meaningful, as competing products would have similar attributes and impact. Accordingly, the making of a QRC is less likely to be an unfair practice if it concerns a material, non-standard and non-mandatory attribute of the goods or services. Where the supplier has taken steps to go further than the mandatory or standard features or requirements, it is a good practice to include information on such steps in the claim.
- 3.15 In making QRCs to highlight the attributes or benefits of their products in comparison with competing brands, suppliers should be prepared, if asked, to specify the products that they have made the comparison against and compare like-for-like, to reduce the likelihood of misleading consumers on the competitive merits of their products.

Guiding Principle 4: Claims should be accompanied by material information

- 3.16 Suppliers should provide sufficient and material information with their QRC to assist consumers to make informed decisions. Ideally, such material information should be provided promptly, prominently or in an easily accessible manner to consumers.
- 3.17 Suppliers should state the limits and specific conditions of the QRC clearly. Where the assumptions made by suppliers in making the claim differ from the assumptions that an

average consumer would make, suppliers should provide information on such assumptions to consumers.

- 3.18 Where suppliers make claims on certifications obtained on their products or businesses, suppliers should provide consumers with access to information on the certification body and the certification standards or criteria so that consumers can better understand what the certification scheme entails. As a matter of good practice, suppliers should select third-party certification schemes that are reputable, transparent and based on robust certification criteria, such as those which use internationally recognised assessment and certification methodologies.
- 3.19 In making claims that their products are produced or delivered to achieve certain benefits or outcomes, suppliers should provide information to consumers on the key actions that they have taken to achieve such claims. Suppliers should not give consumers the impression that a benefit or outcome has been achieved, when it has not. If the benefit or outcome will only materialise over a longer period, suppliers should make this clear to avoid misleading consumers who may expect the benefit or outcome to be immediate or to accrue within a reasonable period of time. Where feasible, suppliers should reference recognised best practices, guidelines and standards relevant to their products or sectors.
- 3.20 Suppliers should ensure that any qualifying or supporting information is presented clearly and prominently along with the QRC. Such information should be consistent with the claim made. CCS recognises that suppliers may face limitations in terms of the space on packaging, labels or marketing materials to provide such information to consumers. Where there is limited space to set out the qualifying or supporting information along with the claim, suppliers can do so by adding a Uniform Resource Locator (URL) or Quick Response (QR) code next to the claim to provide consumers with more information in relation to the claim. Such information should be provided clearly and prominently in a manner which is easily accessible to consumers. It is an unfair trade practice⁶ for suppliers to use small print to conceal a material fact or mislead a consumer as to a material fact.

Guiding Principle 5: Claims should be supportable by evidence

- 3.21 Suppliers should evaluate if they are able to reasonably substantiate the QRC with up-to-date, valid and credible evidence before making the claim. The reasonableness of a supplier's actions will be assessed taking into account matters such as the size of a supplier's business operations, its relative position in the supply chain, the claims made to it by another supplier and the resources available to it: see also para 2.3 above.
- 3.22 Valid and credible evidence includes relevant and reliable evidence which are specific to the benefit, impact or attribute of the products in the claim and can include tests, certifications, peer-reviewed research or studies conducted and evaluated in an objective manner by qualified persons using scientific methods that are generally accepted in their profession. Suppliers should not rely on findings from tests or studies which are not representative, inconclusive or have not gained general acceptance within the relevant scientific circle. Suppliers should not suggest that their QRCs command universal acceptance if that is not the case.

⁶ Refer to Section 4(d) read with paragraph 23 of the Second Schedule to the CPFTA.

- 3.23 Where suppliers make claims on certifications obtained on their products or businesses, suppliers must be able to substantiate their claims with up-to-date, valid and credible evidence that is specific to the products or businesses in respect of which the claim is made, and the certification referred to in the claim. Notwithstanding that a supplier's good, service or business may be independently certified to meet certain standards or criteria, the supplier should still ensure that it is able to substantiate any claims made in relation to its certification or labelling of its product or business. Substantiation material may include relevant evaluation reports and certifications issued by the certification body. Such substantiation should be kept up-to-date with continuous and ongoing compliance with the certification scheme.
- 3.24 If suppliers choose to make claims on their ambitions and goals in marketing their products, suppliers should ensure that they are able to demonstrate their intention and steps taken to achieve them with credible and corroborative evidence. In making any calculation or projection on targets and performance, suppliers should use internationally recognised assessment and accounting methodologies as may be applicable and should ensure that the assessment and accounting is periodically reviewed and up-to-date.

4. Conclusion

- 4.1 This Guide has set out broad, guiding principles that suppliers should consider when making QRCs, and may be revised from time to time, should the need arise.
- 4.2 This Guide⁷ is not a substitute for the CPFTA and does not set a limit on CCS's investigations and enforcement actions. In determining whether a supplier has engaged in an unfair trade practice under the CPFTA, the facts and circumstances of each case and the reasonableness of the supplier's actions would be considered. Suppliers may seek professional legal advice if they are unsure whether their actions constitute unfair trade practices under the CPFTA.
- 4.3 Apart from these Guidelines, suppliers may also refer to the Singapore Code of Advertising Practice ("**SCAP**"). The SCAP is published and administered by the Advertising Standards Authority of Singapore ("**ASAS**"), which is the self-regulatory body of the advertising industry in Singapore. The SCAP applies to all commercial advertisements in Singapore and provides that suppliers must clearly explain, adequately substantiate and qualify any claim in advertisements. If an advertisement is objectionable under the SCAP, ASAS may engage with the supplier to either amend or withdraw the advertisement.

⁷ This Guide does not absolve suppliers of obligations under, or provide guidance on, any other Acts, guidance, schemes or programmes administered by other sectoral regulators. Suppliers should comply with such Acts, guidance, schemes or programmes, as may be applicable to the supplier or their goods, services or business.

Annex: Examples

The examples are for illustration and are not meant to be exhaustive. Each example highlights possible unfair trade practices under the CPFTA and the practices that suppliers are encouraged to adopt when making QRCs.

Guiding Principle 1: Claims should be true and accurate

Example 3.2:

A supplier claims that its induction cooker can reach a cooking temperature of up to 200 degrees Celsius. The actual temperature the cooker can reach is 150 degrees Celsius.

The claim is false and would amount to an unfair trade practice under the CPFTA.⁸ The supplier should state the correct temperature its induction cooker can reach.

Example 3.3:

Based on visual inspections, a supplier of pedicure services tells consumers that they have fungal infections on their nails and need anti-fungal treatments, without following its own operating procedures for assessing if the symptoms observed are indeed related to fungal infections.

The supplier may have misled consumers on the need for anti-fungal treatments, which amounts to an unfair trade practice under the CPFTA.⁹ Suppliers should only make representations to consumers on the need for any product after they have established a reasonable basis for claiming that there is indeed such a need.

Example 3.4:

A supplier of fire extinguishers tells consumers that it is affiliated with, and approved by the relevant authorities to sell fire extinguishers, when this is not the case.

The claims are false and amount to unfair trade practices under the CPFTA.¹⁰ If a supplier wishes to make such claims, it should ensure that the claims are factually true and accurate, and be prepared to substantiate if asked.

Example 3.5(1):

A supplier represents that its product has met certain industry standards. The standard only applies to a particular component of the product.

The claim may be misleading and amount to an unfair trade practice under the CPFTA. The supplier should be accurate in its representation that only a particular component of the product has met the industry standard. If only one specific component of the product has met that standard, the supplier should not represent that the good in its entirety, has met that standard.

⁸ Section 4(b) of the CPFTA and Section 4(d) read with Paragraph 1 of the Second Schedule to the CPFTA. See a similar enforcement example under the CPFTA here: <https://www.case.org.sg/list/groupe-seb-singapore-pte-ltd-groupe-seb/>

⁹ Section 4(d) read with Paragraph 3 of the Second Schedule to the CPFTA. See a similar enforcement example under the CPFTA here: <https://www.ccs.gov.sg/case-register/public-register/consumer-protection-fair-trading-high-court-dismisses-appeals-by-nail-palace-bpp-pte-ltd-and-nail-palace-sm-pte-ltd>

¹⁰ Section 4(d) read with Paragraph 2 of the Second Schedule to the CPFTA. See a similar enforcement example under the CPFTA here: <https://www.ccs.gov.sg/media-and-events/newsroom/announcements-and-media-releases/fire-safety-prevention-sg-ordered-to-cease-unfair-trade-practices-489>

Example 3.5(2):

A supplier represents that its product is approved by an authority. However, the supplier has only registered its products with the authority.

To the extent that registration with the authority does not constitute an approval of its product by the authority, the claim may be false and amount to an unfair trade practice under the CPFTA. The supplier should be accurate in its representation of the product's status in this regard.

Example 3.7:

A supplier of water filtration systems claims that drinking alkaline water can prevent and improve the condition of diseases such as osteoporosis, cancer, diabetes, arthritis, kidney or colonic disorders and psoriasis.

The claim may be misleading and amount to an unfair trade practice under the CPFTA, as the documents relied on by the supplier in support of the claims did not adequately support the health benefit claims made.¹¹ Suppliers should ensure that they have adequate evidence to substantiate any QRC that they make.

Example 3.8:

A supplier states on its website that its laptops belonging to a particular product line have a screen refresh rate of "up to 144 Hz". A similar representation is made by the supplier's distributor on its e-commerce website. However, only the premium model of laptop in that product line is able to achieve the stated screen refresh rate. All other models in that product line are only able to achieve a screen refresh rate of up to 60 Hz.

The claim is false or misleading and amounts to an unfair trade practice under the CPFTA¹², as it gives consumers the impression that all the laptops in that product line can achieve the stated screen refresh rate of 144 Hz (screen refreshes 144 times per second), which is almost 2.5 times higher than 60 Hz. The supplier and its distributor should ensure that the difference in screen refresh rates between the premium laptop and the other laptops in the product line are accurately reflected.

Example 3.8 (2):

A supplier has a "Choose Green" section in its physical retail store and online retail store to showcase goods which bear the claims made by upstream suppliers of those goods that they are better for the environment. The supplier repeats the claims made on the goods in the goods' listings under the "Choose Green" section on its online retail store. The supplier has also put up in-store and online advertisements to promote the showcased goods in the "Choose Green" section to consumers as goods which are better for the environment and repeats the claims made on the goods in the advertisements.

¹¹ Section 4(a) of the CPFTA. See a similar enforcement example under the CPFTA here:

<https://www.ccs.gov.sg/case-register/public-register/consumer-protection--fair-trading/state-courts-orders-triple-lifestyle-marketing-pte--ltd-to-cease-unfair-practices-in-supply-of-alkaline-water-filtration-systems-and-maintenance-service-packages>

¹² Section 4(d) read with Paragraph 1 of the Second Schedule to the CPFTA. See a similar enforcement example under the CPFTA here: <https://www.ccs.gov.sg/media-and-events/newsroom/announcements-and-media-releases/lenovo-singapore-and-want-join-provide-undertakings-to-cccs-in-view-of-past-unfair-practices-involving-screen-refresh-rate-of-certain-models-of-lenovo-legion-y540-gaming-laptop-530>

Before representing to consumers that the showcased goods in the “Choose Green” section are better for the environment and repeating the claims made on the goods in marketing the goods to consumers, the supplier should take reasonable steps to verify that the claims made on the goods and the information provided to it by its suppliers in substantiation of the claims made on the goods is true and accurate before communicating the same information to consumers. Should there be any indication that the substantiation material provided by its suppliers in support of the claims made on the goods is not authentic or inadequate, the supplier should conduct further inquiry with third parties to verify the claims made on the goods. Alternatively, the supplier should consider not showcasing the goods in the “Choose Green” section and not repeating the unverified claims made on the goods in marketing the goods to consumers.

Guiding Principle 2: Claims should be clear and easily understood

Example 3.10:

A supplier claims that its product is “*made of recycled material*” when, in fact, only part of the product is made of recycled material.

Such a claim is misleading and amounts to an unfair trade practice under the CPFTA, as it gives consumers the impression that the entire product was made of recycled material when it is not. The supplier should specify the breakdown of the material used or indicate clearly which parts are made of recycled material.

Example 3.11:

A supplier affixes a hospital’s logo to the product listing of its massage chair on its website. The massage chair has not been endorsed by the hospital. The supplier only worked with a doctor from the hospital in his personal capacity, in developing certain technology for the massage chair.

Without further information accompanying the hospital’s logo, consumers are likely to perceive that the massage chair as having been endorsed by the hospital. Therefore, the claim is misleading and likely to amount to an unfair trade practice under the CPFTA. The supplier should be prepared to provide sufficient information to clarify the use of the hospital’s logo in the marketing of its massage chairs. Alternatively, the supplier should consider not using the hospital logo but to refer to the doctor that the supplier has worked with in developing the product technology.

Example 3.13:

A supplier claims that its bedsheet is better for the environment as it is “*manufactured using environmentally sustainable Eco-soft Technology*”. In fact, although the technology uses less water, it uses more environmentally harmful chemicals.

As the phrase “*environmentally sustainable Eco-soft Technology*” is not a conventionally used term and appears to refer to a proprietary technology, it is unclear what its specific properties or environmental benefits are. As consumers are likely to interpret the claim to mean that the production process has a lower impact on the environment than other conventional production processes, the claim is likely to be misleading and amounts to an unfair trade practice under the CPFTA.¹³ The supplier should be clear in its communications to consumers on what the technology is and what the environmental effects are.

¹³ Section 4(a) of the CPFTA.

Guiding Principle 3: Claims should be meaningful

Example 3.14:

A supplier claims that its hair spray is better for the environment as it does not contain chlorofluorocarbon (“CFC”).¹⁴

Such a claim should not be made as it is unlikely to be meaningful to consumers. This is because Singapore has prohibited the import and manufacture of non-pharmaceutical aerosol products containing controlled CFCs since 1991.¹⁵

Example 3.15:

A supplier claims that its packaged salad is a “greener choice with 27% less packaging”.

The claim is unlikely to be meaningful as it is unclear what is the basis for the comparison, specifically whether the comparison is with its previous version or with competing products. Supplier should provide further information to clarify on the basis for the comparison and be prepared if asked to substantiate on the method of comparison, and how that justifies the product to be a “greener” choice.

Guiding Principle 4: Claims should be accompanied by material information

Example 3.17:

A supplier claims that its washing detergent designed for use in household washing machines is better for the environment as it uses a “biodegradable formula”. However, the detergent is not biodegradable in household, natural or public wastewater treatment conditions.

The supplier should make it clear that the detergent is only biodegradable under specific conditions so that consumers understand the context of the claim and its underlying limitations.

Example 3.19:

A supplier claims in marketing its line of cushion covers that it is “*committed to more sustainable cotton – our way of doing better*”. The supplier has pledged to use cotton from environmentally sustainable sources but has not used such cotton in its current line of cushion covers.

Consumers may be misled that the product line is made of cotton from environmentally sustainable sources, when it is not. Consumers are less likely to be misled if the claim specifically states that the cushion covers are not made from such cotton. The phrase “*committed to more sustainable cotton*” is also vague. To reduce the likelihood of misleading consumers, suppliers should be accurate, for example, specify if the claim relates to the business’ wider environmental ambitions or if the claim applies specifically to the goods or services, and provide clearly articulated information on their plans to achieve the claimed ambition and the steps that they have taken.

¹⁴ CFC refers to chlorofluorocarbons, a substance known to deplete the ozone layer.

¹⁵ <https://www.nea.gov.sg/corporate-functions/resources/legislation-international-law/multilateral-environmental-agreements/chemical-safety/montreal-protocol>

Guiding Principle 5: Claims should be supportable by evidence

Example 3.21:

A supplier of bust enhancement treatments claims that its treatments were able to increase consumers' bust cup sizes or prevent breast diseases (including cancer). The supplier was not able to substantiate the claims with valid and credible evidence.

The claims are false or misleading and amount to unfair trade practices under the CPFTA.¹⁶ Where suppliers highlight the positive benefits or attributes of their goods or services, they must ensure that they have a reasonable basis to make such claims. They should also avoid exaggerating such claims.

Example 3.23:

A supplier claims that its water filter has been certified by adding the words "Certified by" followed by the logos of certain third parties on its water filters. While the water filter had been certified under a product-specific certification scheme by a third-party, the certification has expired. The supplier had also sent samples of filtered water to third parties to test for the absence of certain substances, however the tests were not conducted as part of a certification process of the water filter.

The claim is misleading and amounts to an unfair trade practice under the CPFTA as the certification has expired and the tests conducted on the water samples by the third parties do not amount to certifications. Where the third-party certifications of the goods, services or businesses were genuine but the certifications are no longer valid, suppliers should not continue to represent that they are valid. Suppliers should regularly review such certification claims and ensure that the certification criteria continue to be met and the certification up to date.

¹⁶ Section 4(d) read with Paragraph 1 of the Second Schedule to the CPFTA and section 4(a) of the CPFTA. See a similar enforcement example under the CPFTA here: <https://www.ccs.gov.sg/case-register/public-register/consumer-protection--fair-trading-/tokyo-bust-express-gives-undertaking-to-cccs-to-cease-false-claims-and-pressure-sales-tactics-882>