



## CONSUMER AFFAIRS COMMISSION

An agency of the Ministry of Industry, Commerce, Agriculture and Fisheries

*"Protecting Your Rights, Securing Our Future"*

# Consumer Matters

ISSUE 011 SEPTEMBER 2017

## ***480 consumers benefit from \$8.6-M in refunds/compensation***

For the Financial Year to Date (April 1, 2017 – September 30, 2017) the total number of complaint cases handled by the Consumer Affairs Commission was **774**. This, when compared to the number of cases handled for the similar period in 2016, represents a decrease of **13.70%** as the number recorded then was **562**.

During this period, **480** of the **774** cases handled were resolved, a resolution rate of **62.02%**. It is important to note that the resolution rate gradually increases as the Financial Year progresses.

The Commission was successful in securing refunds/compensation in the amount of **\$8.695M** on behalf of aggrieved consumers. For the corresponding period in 2016, the Commission secured **\$2,931,643.62**.

The top three categories in terms of refunds/compensation were **Other Services (including finance, laundry, hair, medical, education)** which accounted for **\$2,700,366.16** or **31.37%**; **Appliances and Electronic Items** **\$2,199,574.40** or **25.6%**; and **Automotive** **\$1,850,956** or **21.5%**.

However, in terms of the categories that generated the most complaints, **Electrical Equipment and Appliances** contributed **34.47%**, **Other Services** **17.06%** and **Utilities** **12.93%**.

As it relates to the provision of advice, there were two hundred and sixteen (**216**) requests for advice.

## **HOW DOES THE CAC INVESTIGATE BREACHES**

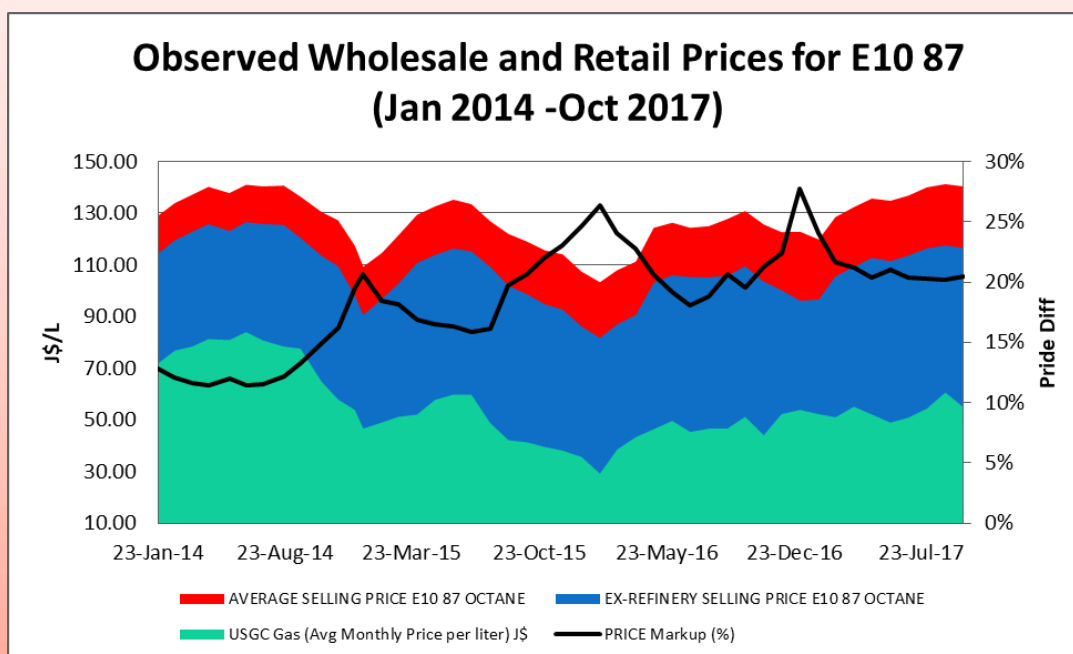
- The consumer must first contact the vendor to try and resolve the dispute;
- If the dispute is not resolved, a report must be made to the CAC either orally or written;
- The CAC will contact the vendor and investigate the complaint;
- The CAC will seek compensation for the consumer, if the CPA is breached; and,
- The vendor will be placed before the court if the breach is not remedied.

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# Are mark-ups the reason for high gas prices?

The local price movements have occurred alongside increases in international oil prices, however the fact that pump prices have surpassed recent highs seem to be resulting more from mark-ups than input prices. Petrojam (Jamaica's only petroleum refinery) uses the United States Gulf Coast (USGC) prices as their benchmark, and considers other costs when determining ex-refinery prices. Retailers and marketing companies then add a mark-up before selling to consumers. While ex-refinery and USGC prices have yet to make new highs, the increase in mark-ups has moved gas prices beyond their previous highs.



In June 2014, the United States Gulf Coast price of gasoline was approximately J\$84.02/litre, while Petrojam's ex-refinery price for E10- 87 was J\$126.54/litre. CAC's observed pump price for the product was J\$140.98/litre, a mark-up of 11%. In October 2017, the CAC observed a national average price for E10-87 of J\$140.34/l, a 20% mark-up over Petrojam's ex-refinery price of J\$116.51/litre; however the USGC gasoline price was approximately J\$54.93/litre. In other words, while USGC prices and ex-refinery prices have not returned to their precise price points, the retail price of gasoline has exceeded previous highs.

This observation may be a result of the increased mark-ups over the period. As illustrated, mark-ups have also experienced a consistent uptrend since 2014. In previous years, during periods of market stability, consumers have had to pay a 12% mark-up for E10 87. However, since October 2016 the CAC has not observed a mark-up on E10 87 lower than 20%, a value first seen in December 2014.

The pricing policy within the petroleum market appears unclear and unreasonable to many outside the industry, particularly those not benefitting from the decisions. It is not clear why marketers/retailers have increased their mark-ups, and although they have the right to maximise their profits, some clarity on the reasons for these increases may allay concerns among consumers and the wider economy.

# CAC cautions debit and credit card carrying consumers

The Consumer Affairs Commission (CAC) is cautioning consumers to be careful when using their debit and credit cards to make purchases. It has come to the Commission's attention that consumers' cards are either being swiped twice or the incorrect amount is being removed when they tender these cards for the payment of a purchase at point of sale machines.

Reports to the Commission have shown that there are two methods by which this is done. For cards that have dual currency, instead of taking the Jamaican Dollar amount, it is the US Dollar equivalent that is removed. Example, if the total purchases amounts to J\$600, it is US\$600 that is swiped.

In the other instance, the consumers' cards are being swiped twice. Example, the consumer has made a purchase for \$1800. Upon examination of their account, a purchase of \$2500 is reflected that cannot be accounted for.

The Commission is therefore urging consumers to retain all their receipts and be responsible when making purchases.

If there are any anomalies, speak with the manager of the store. However, if the issue is not resolved, contact the Consumer Affairs Commission and make a complaint.

## **CONSUMERS USE POINT OF SALE MACHINES WITH CAUTION!**

- Read the information presented on the point of sale machine.
- Pay attention to your card when it is being swiped.
- Check your online statements to verify your most recent purchases.
- For consumers who do not have access to online statements, check your printed statements as soon as possible.
- If there are any irregularities, speak with the manager of the store.
- Always keep your receipts. If you misplace the receipt, use your online statement as proof of purchase.



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# ***Duties of vendors to consumers***



According to the Consumer Protection Act 2005 Amended (2012), there are a number of duties that vendors have to consumers when conducting business in the marketplace. In this edition, five (5) will be outlined, and others discussed in the next issue of Consumer Matters.

**1. A duty to give the consumer information on:**

- the price of the goods including GCT;
- where the goods were made;
- how to care for the goods;
- the weight and size of the goods; and
- if required, how to assemble and/or install the goods.

**2. A duty to allow the consumer to check the weight or measurement of goods before purchase.**

**3. A duty to give a proper receipt to the consumer; the receipt must have the following information:**

- the purchase price paid by the consumer;
- the date on which the purchase is made;
- a description of the goods or services sold;
- the professional fee charged, if any; and
- any additional information relating to the purchase of the goods or services

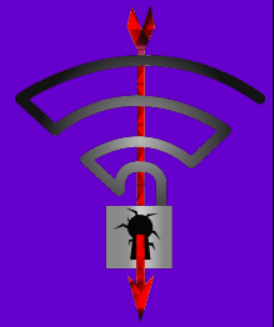
**4. A duty to issue a warranty**

A vendor should issue a warranty on the goods sold. If no warranty is offered, then a warranty of six (6) months will apply to the product, whether it is new or used. The vendor may sell the goods “as is, where is” without warranty, however this may be unlawful under the CPA as full disclosure is required.

**5. A duty to provide a refund or to exchange a faulty electrical product, if the damage or fault was not caused by the consumer.**



# Researchers discover WiFi vulnerability affecting basically every device on earth



Serious weaknesses have been discovered in WPA2, a protocol that secures all modern protected Wi-Fi networks. An attacker within range of a victim can exploit these weaknesses using key reinstallation attacks (KRACKs). Consequently, attackers can use this novel attack technique to read information that was previously assumed to be safely encrypted. This can be abused to steal sensitive information such as credit card numbers, passwords, chat messages, emails, photos, and so on. **The attack works against all modern protected Wi-Fi networks.** Depending on the network configuration, it is also possible to inject and manipulate data. For example, an attacker might be able to inject ransomware or other malware into websites.

The weaknesses are in the Wi-Fi standard itself, and not in individual products or implementations. Therefore, any correct implementation of WPA2 is likely affected. Note that **if your device supports Wi-Fi, it is most likely affected.** During initial research Android, Linux, Apple, Windows, OpenBSD, MediaTek, Linksys, and others, are all affected by some variant of the attacks.

## Is there anything I can do?

There's nothing that individuals can do; changing your WiFi password or using a different device won't help, since the flaw is embedded deep in the very basis of your internet connection.

But there is good news: This flaw is patchable.

Device manufacturers were all notified about the flaw before it was made public, and are working on updates to fix this particular danger. The best thing any home user can do is **install security updates** as soon as your devices prompt you to, and make sure you keep any computer, phone, or connected device as up-to-date as the manufacturer allows.

Source: <https://www.krackattacks.com/> and Consumerist.com



## #CYBERSAFE CONSUMER

# ***Product Recall(s)***



## **Fisher-Price Recalls 63K Infant Motion Seats Over Fire Hazard**

If you've got one of those infant motion seats intended to soothe a baby with gentle swaying or bouncing, you probably want to pay attention:

Fisher-Price is recalling 63,000 Soothing Motion Seats over a potential fire hazard. On October 24, 2017, Fisher-Price initiated the recall of 63,000 Soothing Motion Seats after receiving 36 reports that the devices overheated, including one report of a fire within the motor housing.

According to a notice posted with the Consumer Product Safety Commission, the issue with the seats is contained in the motor housing, the part of the machine that actually moves the seat.

The seats bounce, sway, vibrate, can play 10 songs and nature sounds, and have an overhead mobile.

In all, the recall affects two different types of Fisher-Price seats that can be identified by the model number on the underside of the motor housing:

- Fisher-Price Soothing Motions Seats with model numbers CMR35, CMR36, CMR37, and DYH22
- Smart Connect Soothing Motions Seats with model number CMR39

The recalled seats were available online and in stores nationwide since Nov. 2015. They were sold at Walmart, Target, Amazon, Toys 'R' Us, BuyBuyBaby and other retailers and websites for between \$160 to \$175 each.

Owners should contact Fisher-Price for a full refund. The company can be reached at 800-432-5437 or online at [www.service.mattel.com](http://www.service.mattel.com) and click on Recalls & Safety Alerts for more information.

## **Actions of Bailiffs**

- A vendor must hire a licensed bailiff if goods have to be recovered from a consumer.
- A vendor must not recover goods where the consumer is properly repaying his/her loan under a hire-purchase or lay-away agreement. If the vendor wrongfully seizes a consumers goods the court may order the vendor to pay the consumer two – times the value of the goods seized and Ten Thousand Dollars (J\$10,000.00) for every day that the consumer was deprived of use of the goods.
- A person commits an offence if he/she unlawfully seizes the goods of a consumer. If the vendor wrongfully seizes a consumer's goods the court may order the vendor to pay the consumer two – times the value of the goods seized and Ten Thousand Dollars (J\$10,000.00) for every day that the consumer was deprived of use of the goods.



In the wake of Hurricanes Harvey and Irma in Texas and Florida respectively, there exists the possibility of water-damaged cars camouflaged as ordinary used cars being sold on the Jamaican market. This as flood cars are often transported well beyond their original region after major storms to locations where consumers may be less aware of what warning signs to look for.

Water can ruin electronics, lubricants, and mechanical systems. It can take months or years for corrosion to find its way to the car's vital electronics, including airbag controllers. Consumers need to carefully inspect (or pay their mechanic to do it) any used car before buying one.

Water damage can be hard to detect, but Consumer Reports recommends that you look for some telltale signs:

- **Inspect the carpets** to see if they show signs of having been waterlogged, such as smelling musty or having caked-on mud. Likewise, brand-new carpets in an older vehicle may be another red flag.
- **Check the seat-mounting screws** to see if there is any evidence that they have been removed. To dry the carpets effectively, the seats must be removed and possibly even replaced.
- **Inspect the lights.** Headlights and taillights are expensive to replace, and a visible water line may still show on the lens or reflector.
- **Inspect the difficult-to-clean places**, such as gaps between panels in the trunk and under the hood. Waterborne mud and debris may still appear in these places.
- **Look for mud or debris** on the bottom edges of brackets or panels, where it wouldn't settle normally.
- **Search around the engine compartment.** Water lines and debris can appear in hard-to-clean places, such as behind the engine.
- **Look at the heads** of any unpainted, exposed screws under the dashboard. Unpainted metal in flood cars will show signs of rust.
- **Check to see if the rubber drain plugs** under the car and on the bottom of doors look as if they have been removed recently. That may have been done to drain floodwater.



Source: [Consumerreports.org](http://Consumerreports.org)



# CAC in the field...

It was a team moment as (left) Messrs Richard Rowe, Regional Officer and Colin Brett, Field Officer at the Consumer Affairs Commission, joined HITZ 92 FM host, Ms. Dahlia Harris for a quick photo.

On Saturday July 29, 2017, the Consumer Affairs Commission was a part sponsor of the RJR Back to School Bazaar which was held at Devon House, Kingston. Messrs. Richard Rowe and Colin Brett represented the Commission quite effectively!!



Mr. Richard Rowe, Regional Officer, Consumer Affairs Commission was interviewed on HITZ 92 FM by host, Ms. Dahlia Harris.

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### Consumer Matters

**ISSUE 011 SEPTEMBER 2017**

## Scorecard 2017/18 Financial Year

Between April 1 and September 30, 2017 the following obtained:

**Total Refunds and Compensation - \$8.6 million**

### Top 3 categories by Complaints

Appliances and Electronic Items – 34.47%

Other Services – 17.06%

Motor Vehicles & Parts – 12.93%

### Top 3 categories by Refunds/Compensation

Other Services – 31.37%

Appliances and Electronic Items – 25.6%

Automotive 21.5%