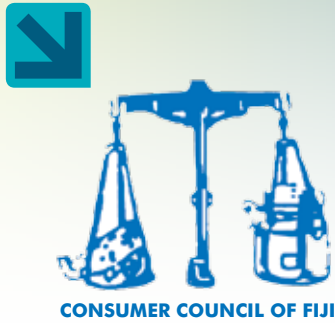


CONSUMER WATCH



CONSUMER COUNCIL OF FIJI

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PROTECTING THE RIGHTS AND INTERESTS OF CONSUMERS

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View Point



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Aldi Products



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Council fights for fair banking services

The preliminary findings of a study commissioned by the Consumer Council on Banking Services in Fiji has revealed that banks in Fiji levy exorbitant interest rates, fees and charges to their customers.

The study- funded by the European Union and conducted by the Fiji Institute of Applied Science (FIAS) - is also recommending that the Council should formally write to the Commerce Commission requesting an investigation into the fairness of the levels of interest rates charged and paid and the fees and commissions levied by banks.

The banking services study is part of the World Consumer Rights Day (WCRD) 2010 celebrations which focused on financial sector with the theme **"Our money, our rights: Fighting for fair financial services"**. All four banks in Fiji are foreign owned, out of this ANZ and Westpac command largest share of banking business.

According to the study, the banking sector is not perfectly competitive and as a result consumers of banking products can be short-changed and need protection.

Preliminary findings also show that operations in Fiji for both ANZ and Westpac are substantially more profitable in Fiji than in Australia. On average, over the five year period, ANZ's net after tax profit as a percentage of total assets were fifteen times more in Fiji than that of the four major banks in Australia. For Westpac, the percentage was over 20 times more in Fiji.

Bank profits are derived largely from interest income and fees and commissions. Net interest income as a percentage of total assets on average for the five years is about 11 times higher for Fiji operations of both ANZ and Westpac as compared to that of the four major banks in Australia. A similar situation exists in relation to fees and commissions.

For fees and commissions, on average, over the five year period, net fee and commission revenue for ANZ Fiji was over 10 times higher

than that of the four major banks in Australia. For Westpac it was over 8 times higher.

Slightly higher interest charges, fees and charges in some countries may be justified on the basis of higher risks existing in that country. However, the study reveals that in Fiji higher risk is taken by FDB and Housing Authority. Risks taken by banks is much lower. Hence, higher fees and charges by banks cannot be justified. Further banks will not give loans without collateral or guarantees so they will get their money back through mortgage sale.

Consumer concerns against the conduct of banks have for long been a matter of public debate in Fiji. In 1998, the tide of public vexation against the banks led to the formation of a six-member Parliamentary Committee of Inquiry into Financial Services in Fiji. The current study on banks was undertaken to ensure consumers receive an affordable and efficient service delivery for the value of fees and charges paid on the products and services offered by banks.

It is the second study after the parliamentary inquiry and includes a scrutiny of the consumers' access to credit facilities; dealing with privacy information, analysis of fees and charges, policies that frustrates consumers, and disclosure of information to consumers. The Council hopes to use the findings to advocate for changes in all aspects of the banking sector that is fair to consumer.

The report is expected to be released in August.



Council Analysis shows it costs consumers on average \$28-\$30 per year to use ATM services of some banks.

Consumer protection should be a pre-requisite to micro-finance and financial literacy

When Liaone Raqamu bought a second hand 30 horse power outboard engine for his fishing boat, he had no idea that this engine would become faulty in just six days. What's worse is that the company that sold him this second hand engine did not have a license to do so.

When Mr. Raqamu went to the auto company to get his engine repaired he was told to pay \$2,000 for it. For a small fisherman who had acquired a loan for his fishing boat and the engine, this came as a big blow. Without the engine, Mr. Raqamu's fishing boat was useless and without income he could not keep up with his payments on bank loan. Mr. Raqamu's case is just one of many unfortunate cases where deserving people do qualify for micro-finance and also open bank accounts for savings but unfortunately are unsuccessful in reaping the full benefits of these well intended schemes because of lack of consumer protection.

While micro finance and financial literacy programmes in Fiji put a lot of emphasis on equipping people with basic skills on how to manage money but, what is often forgotten is the fact that consumer protection is also an integral component of financial literacy.

Financial literacy can make a difference not only in the quality of life that individuals can afford, but also the integrity and quality of markets. Financially educated consumers can benefit the economy by encouraging genuine competition, forcing the service providers to innovate and improve their levels of efficiency.

The need for consumer protection in financial sector arises from an imbalance

of power, information and resources between consumers and financial institutions, placing consumers at a disadvantage. Consumer protection aims to address this market failure. Financial institutions know their products well but individual retail consumers find it difficult or costly to obtain sufficient information on their financial purchases, plus complex financial products can be difficult to assess.

While relating experiences on financial literacy programmes for junior secondary students in Fiji, the Council was informed that some students, who had successfully opened bank accounts and saved money, unfortunately lost these hard earned savings as a result of maintenance and other fees which led to closure of their account. In Australia for kid and teen account there is usually no monthly account or transaction fees. So why same cannot be done for Fiji to motivate our kids and teens to save from an early age?

Although, through financial literacy training these students had successfully acquired skills to save, they were not properly advised and informed on choosing the saving product suitable for them. The students may not have been informed on the applicable fees and charges. Lack of information resulted in these students not only losing their hard earned savings but also the motivation to save in future too. While banks should be required to properly inform their customers of their products, they cannot be relied on to give objective advice as their main priority would be to sell their products.

Recently released report by the United Nations Development Programme (UNDP) titled "Financial Capability, Financial Competence and Wellbeing in Rural Fijian Household" highlighted that consumer protection was limited in most Pacific Island Countries and purchases of financial products and services may not, therefore, be provided with adequate levels of product disclosure, in particu-



Small businesses need consumer protection.

lar disclosure of terms and conditions of product use (including interest rates, fees and other charges), investment risk, or the consequences of default on a credit contract.

The report stated that sources of impartial professional financial advice are frequently limited resulting in consumers seeking advice from the product provider or from family and friends.

"Without adequate consumer protection and access to appropriate advice Pacific Islanders are at heightened risk of making poor investment decisions lending and exposure to unduly high fee and interest charges."

Five Ways to Avoid Banks Taking Your Money in Fees and Charges

1. Monthly account maintenance fee

The most common fee you pay for an organization to manage your bank account. Generally runs anywhere from \$2-\$5 per month (\$24-\$30 annually). However, you can search around and find ways to avoid this fee by finding a zero fee account or meeting some no-fee requirements like having a certain account balance with the bank. For example Bank of Baroda does charge maintenance fee on saving account.

2. ATM transaction Fee

When using your ATM card, you may be charged a fee if you exceed the number of transactions nominated for a particular time frame (e.g per month) or use an ATM from a

different bank. The fee for this can be \$0.30 per withdrawal. Again, this is an easy fee to avoid by selecting an account that allows some non-bank ATM usage or rebates you for any ATM fees incurred. Example with Westpac's Electronic Transfer Account users get 10 free electronic withdrawals per month

3. Branch withdrawal Fee

Withdrawing money using bank tellers can cost \$2-\$5 per withdrawal. A cheaper option is using ATM withdrawals. Banks like Westpac and Bank of Baroda give certain number of ATM withdrawals free.

4. Overdraft or insufficient funds fee

The fee you pay when the balance in your

everyday transaction account goes below \$0. Example: Your phone provider debits \$150 for your monthly bill but you only have \$100 in your bank account at the time. You may be charged anywhere from \$25-\$35 in overdraft fees by your bank. Ensure you have enough money in your account before making any payments to avoid overdraft

5. Bank statement fees

Banks charge on average \$5 per page for request for re-printing banks statements. However, this fee can also be avoided as most banks send free statements when the number of transactions fills the one whole page. So it's better for consumers to wait for free statements issued by banks.

Exorbitant penalty fees concerns Council

The Consumer Council of Fiji wants the Reserve Bank of Fiji to investigate penalty fees levied by local banks and declare whether these fees were excessive and legally enforceable.

The Council's concerns on penalty fees emerged after revelations that Australian banks were ripping hundreds of millions of dollars off their customers in penalty fees that have little or no legal basis. Last year banks charged Australian households almost 1 billion in penalty fees.

These penalty fees were for overdrawn accounts, credit card late payment and using over the credit limit, outward and inward cheque dishonour, stop cheque and periodic payment dishonour.

The Council believes that personal and commercial customers should not pay hefty penalties for overdrawing account, paying credit card bill a day late, or making a direct debit and cheque payments that bounces due to insufficient funds in their accounts. Banks are only allowed to charge what are reasonable costs incurred as a result of the default but they charge way beyond.

For example the cost to actually write to a customer and say you haven't paid your payment on time is about 45 cents, however, most customers are being charged \$35 as penalty fee.



Fees for inward dishonored cheque are also a serious concern for the Council. Why should a consumer be charged a fee for cheque received? How would this particular consumer know that the cheque received will bounce? The Council calls on banks to reduce the penalty fees they were making a fortune out of the consumers misfortunes. The penalty fees charged in Fiji also seem excessive considering the costs that would incur to recover default or writing letters/making phone calls to remind customers of their default.

The table below shows the penalty fees charged by banks in Fiji.

Bank	Outward Dishonour Cheque	Inward Dishonour Cheque	Overdrawn Account	Credit Card Late Payment	Credit Over Limit
ANZ	\$30 per chq	\$7.50 per chq	\$25 first day, \$100 second day	\$20 month	\$25 month
BSP	\$30 per chq	\$10 per chq	(Call centre will provide charges if you tell them your account details)	\$25 month	\$25 month
Westpac	\$35 per chq	\$10 per chq	<ul style="list-style-type: none"> Personal Chq: Overdrawn \$50+, \$10 charge Business Chq: Overdrawn \$100+, \$15 No charges for overdraw -\$50 	\$15 month	\$15 month
Baroda	\$25 per chq	\$10 per chq	\$25/day	N/A	N/A

Note: Information not available on bank websites. Information on charges acquired through telephone calls to bank's customer care/call centres;



Corporate Social Responsibility: why it pays

Last month I attended the 8th plenary meeting of multi-stakeholder ISO Working Group on Social Responsibility in Denmark. During the last 5 years, more than 400 delegates from more than 80 different countries have met 7 times to discuss the ISO 26000 standard for social responsibility.

The meeting in May was the last plenary. The way is now open for publication of ISO 26000, which gives guidance on social responsibility, as an International Standard by the end of the year.

ISO 26000 will provide organizations in both public and private sectors with a new paradigm for helping them to operate in the socially responsible way that society now expects. It will assist them achieving long-term economic benefits with minimal social costs and minimal harmful impacts on the environment.

Social Responsibility refers to the continuing commitment by an organization to become responsible for the impacts of its decisions and activities through transparent and ethical behaviour. It takes into consideration labour practices, human rights, environment and consumer protection. The aim of social responsibility is to contribute to the sustainable development, health and welfare of society.

From consumers' perspective, social responsibility means respecting consumer rights, trading fairly, providing safe and quality products and working for a fairer and more sustainable society. Companies that claim they are socially responsible should then be based on the principles of social responsibility such as accountability, transparency, ethical behaviour and rule of law.

However for Fiji the opposite prevails. Every day we see businesses engaging in unfair and unethical practices and making profits through unscrupulous means such as selling expired and damaged products, making false claim, misleading omissions, bait advertisements, exclusive dealings, price fixing, false or misleading representation, unfair credit terms and levying exorbitant fees and charges.

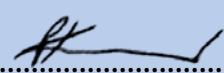
The latest example is of the list of organizations failing to pay the rightfully earned FPNF superannuation of the employees. The "Consumer Watch" also has many examples of unfair practices of businesses in Fiji.

What is worse is that these are the very organizations that engage in numerous charity works, sponsoring events and donating funds for all sorts of relief work. Charity is used to conceal the impacts of their activities and also enhance the image of these organisations.

However, charity is meaningless if the profits generated are through unfair trade practices, labor exploitation environmental degradation and abuse of human rights. Social responsibility is all about accumulating profits through ethical means and sharing it with society.

Now with the ISO 26000, a common guidance on social responsibility will be established and it will be easier to usher companies, government agencies and other organizations to follow social responsibility concepts, definitions and methods of evaluation.

Those organizations aiming at long-term profitability and creditability should start realizing that they must act in accordance with norms of right and wrong to avoid scrutiny and embarrassment from all consumers as well as the government.



Premila Kumar | Chief Executive Officer

Price Control should target poor: Dato' Thuraisingham



Dato' Indrani Thuraisingham

In the interest of equity and social justice, implementation of price controls should be target specific with direct subsidies for the poor rather than the whole country. Presenting a paper on **"Price control and Monitoring in Developing Countries; A Consumer Perspective"** at Symposium on Consumerism and Market Economics, Head of Consumers International Kuala Lumpur Dato' Indrani Thuraisingham suggested that income transfers or food assistance for poor will work more efficiently and sustainably than more general steps at the national level.

Giving a Malaysian example, Dato' Thuraisingham said there was no logical reason to provide petrol subsidies to car owners including those with two or three vehicles and luxury car owners who are usually well off while there are large numbers of urban and rural poor who got little benefit from this subsidy. She added that car owners not only created a demand for more resources such as expenditure on more roads and highways but also contributed significantly to increasing pollution, greenhouse emissions, and climate change as well as discouraging use of public transport.

Malaysia has two price control laws, the Price Control Act 1946 and Control of Supplies Act 1961. As a result of these controls basic necessities such as rice, flour, sugar, fertilizers, milk, chicken, bus and taxi fares are much cheaper in Malaysia compared to other countries. In addition to this, 25 types of consumer items are also price controlled during festive seasons which lasts for 2 weeks to a month.

According to Dato Thuraisingham, prolonged price control could lead to complacency, poor budgeting and dependency to cheap products discouraging consumers to change their wasteful lifestyles and conserve resources. It could also discourage investment and create avenues for corruption, market abuses, smuggling and other social ills which would require additional expenses in terms of enforcement.

Dato Thuraisingham gave examples of some schemes that could be implemented instead of price control. The Public Distribution

System via Ration Cards in India- government allocates funds for the public distribution scheme which aims to provide food grains and commodities to poor people at affordable prices. The second scheme Fair Price Cooperative Markets in Singapore- where the National Trades Union Congress sets up consumer cooperatives with the help of the Consumer Association of Singapore which buys consumer goods in bulk from producers and set up benchmark prices for its goods and sell them at "Fair Price Shops" thereby forcing competitors to reset theirs.

Last year Fiji Government announced its plans to gradually phase out price control to promote competition and in the marketplace. Price controls are government dictated ceilings on the prices of essential consumer goods to keep the cost of living within a manageable range and to maintain the affordability of staple foods and goods.

"... removal of price control can be abused by some unscrupulous traders who may see this as an opportunity to increase their profits instead of creating healthy competition and lower prices for consumers." - Consumer Council

The removal of price control under the Counter-inflation Act means businesses would no longer be required by law to restrict the price of items such

as fuel, flour, sharp, bread, butter, breakfast crackers and medicines. The Council's concern is that removal of price control can be abused by some unscrupulous traders who may see this as an opportunity to increase their profits instead of creating healthy competition and lower prices for consumers.

This was the case in the removal of VAT for eggs in 2008 where the prices of locally produced eggs increased rapidly instead of reducing despite removing VAT.

The Council wants reforms in the consumer protection laws and in redress mechanisms addressing anti-competitive behaviour before removal of price control. Otherwise the benefits to consumers and the good intentions of the Government would not materialise with possible price fixing, collusion and cartel type operation.

Government has decided to remove price control on local chicken to help local chicken industry grow. >



YOUR SAY

The following are views of ordinary consumers on sub-standard products in Fiji that appeared in the opinion columns of local newspapers.

There is a decline in the ethics and business morals of some sections of society today whereby some unscrupulous people have no qualms at taking down their more trusting fellow man if they think they can get away with it.

Rajend Naidu | Fiji Sun

Why are authorities in Fiji allowing such products to be imported and sold? There has been so much concern and talk about health but it seems authorities are contributing towards ill-health by allowing unhealthy products into the country.

Savenaca Vaka | Fiji Sun

Asian products need to be checked, especially those without information in English.

Arti Prasad | Fiji Times

The question is, why are cheap, unhealthy products being dumped in Fiji knowing very well that in our economic climate, families will buy the cheapest products available?

Savenaca Vaka | Fiji Sun

Discovery of sub-standard products sparks debate on standards in Fiji



Datuk Marimuthu Nadason

During his visit to Fiji in March this year, President of Federation of Malaysia Consumers Associations (FOMCA) Datuk Marimuthu Nadason conducted a survey on local supermarkets. His findings—which revealed a large number of sub-standard or near-expired Asian products sold here—sparked huge debate among consumers who denounced the use of their country as dumping

ground for inferior quality products and called for more stringent border control and standards for Fiji.

According to Datuk Nadason, he suspected many Asian countries were taking advantage of the more relaxed retail laws of Fiji to sell sub-standard and near-expired products.

Emphasizing on the importance of standards for consumer safety and protection, the Datuk said standardization allowed consumers to have confidence in the quality and reliability of the products and services they purchase adding that unless suppliers comply with minimum standards, consumers will be exposed to defective and low quality products which can be hazardous to their health.

A standard is a public document which sets out specifications and procedure designed to ensure that a material, product, method or service is fit for its purpose and consistently performs the way it was intended to.

There are two types of standards; mandatory and voluntary. There are thousands of voluntary standards developed by International Standards Organisations (ISO). Mandatory standards are mainly for food industry and for products that may cause injury or any other possible risk to the user.

Fiji Government's recognition of the need to protect our consumers and the market from sub-standard products led to the introduction of the Trade Standards and Quality Control Decree in 1992. This Decree ensures that Fiji's products and services are not only of an acceptable standard but are also aligned to international standards as well.

Fiji has more than 60 standards which includes both voluntary and mandatory standards in fields of building and building materials, flour, bottled water, protective footwear, electrical and telecommunication installation, risk management, corporate governance and quality management.

Consumers have a right to quality goods and services but Fiji consumers are often denied this right because of infiltration of low quality inferior goods. What is worse is that most of these second hand products and rejects are sold to consumers at a premium price. Traders cheat and deceive consumers by selling inferior goods at high price.

Consumers in Fiji should use their rights not to purchase inferior products at a higher price.

Datuk Nadason also presented at a public lecture to the members of the Fiji Chamber of Commerce on how business could develop standards for their organizations at lower cost without hiring expensive consultants.



Council is concerned that Fiji's becoming a dumping ground for sub-standard products.

Fiji marks 50 year existence of Consumers International in style

Fiji joined consumer organizations world over on April 1, 2010 to celebrate in style the 50th anniversary of the Consumers International (CI), the global federation of consumer organisations.

The celebrations coincided with the first ever symposium on consumer issues and was attended by members of the diplomatic core in Fiji, non-government organizations, prominent government officials, academics, businesses and students. Chief Guest at the celebrations was the Head of the European Mission in Fiji, His Excellency Mr. Van Der Goot who praised the excellent work of CI and its affiliates like the Consumer Council in Fiji.

CI is the only independent global campaigning voice for consumers and with over 220 member organisations in 115 countries, it was building a powerful international consumer movement to help protect and empower consumers everywhere.

According to CI Director General Joost Martin, CI has had an incredible influence on the development of consumer rights in

the last 50 years, be it successfully campaigning for UN guidelines on consumer protection, or the development of consumer protection model laws in Africa, Asia and Latin America.

"With the challenges of environmental and economic sustainability that we now face, CI looks forward to working with its member organisations to promote the rights and responsibilities of consumers for the next fifty years."

Consumer Council of Fiji has been a member of the CI for the last 30 years.



Left: Mr. Goot, Dato Indrani & Chief Justice Anthony Gates, cutting the cake to mark CI's 50th Anniversary celebrations.

The Council believes that having consumer rights as a United Nations Guidelines on Consumer Protection is not enough but the UN should ensure a legally binding document to protect consumer rights. There is a need to move from guideline to commitment stage.

The Council will lobby with the international consumer movement to push and advocate for the change in this status quo.

Here to Help

Council helps consumers save thousands of dollars

From January to April 2010, the Consumer Council has helped consumers in Fiji save about \$300,000 through successfully mediating and resolving their complaints. During this period the Council received a total of 654 complaints with a dollar value of approximately \$680,000 out of which 380 complaints were successfully resolved and closed through mediation by the Alternative Disputes Resolution (ADR) team. The monetary value of these closed cases was almost \$300,000.

The higher number of complaints received from consumers in the first four months of 2010 against that of the same period last year reflects increased awareness and confidence of consumers in the Council's ability to resolve issues through mediation, referrals and advice.

An important part of the ADR division's activities is to follow-up on pending cases and the resolving figures indicate that they have been very successful on many levels.

It is also interesting to note that there are no weak cases so far in 2010, which indicates that many consumers are now well aware of their rights and the evidences they are expected to present when lodging their complaints.

Meanwhile, landlord and tenancy cases made up the highest number of complaints in the last four months standing at 86. The complaints here were mostly of landlords refusing to refund bonds, tenants not given enough time to vacate the premises, renting unsuitable accommodation, sharing of facilities and non-issuance of receipts after payments.

The second highest complaints (45) were on groceries which were mainly on expired and damaged food products. Consumers complained of being sold bags of flour and rice infested with worms, insects and weevils, foul and smelly meat, liquid milk with lumps and powdered milk not dissolving.

From January to April 2010, 44 complaints were also received on electrical products most of which were faulty products that went bad after few months or just in few uses. The Council also had 28 complaints on mobile phones out of which a substantial number was on fake Nokia phones.

The other complaints that made the top ten re-occurring list were against Fiji Electricity Authority, Water Authority of Fiji, Telecom Fiji, banks and other financial institutes, education and footwear.

Top 10 Re-occurring Complaints: January - April 2010

	Issues	No. of cases registered
1.	Landlord Tenancy	86
2.	Groceries	45
3.	Electronic Goods	44
4.	Water (Water Authority of Fiji)	37
5.	Mobile Products	28
6.	FEA	26
7.	Telecom	24
8.	Banks & Other Financial Institutes	21
9.	Education	20
10.	Footwear	17

Registered Complaints Analysis: January – April 2010

DETAILS AND ACTION TAKEN	CENTRES			TOTAL JAN – APR 2010
	SUVA	LAUTOKA	LABASA	
Total Of Received And Registered Complaints	371	174	109	654
Complaints Resolved And Closed Through Mediation	259	73	48	380
Referred And Assisted For Small Claims Tribunal	18	19	11	48
Referred To Other Authorities	36	9	13	58
Advice (Not Registered)	116	75	45	236
Pending Cases	57	73	37	167
Pending Cases From Previous Months that were Resolved through Mediation	51	26	7	84
Pending Cases From Previous Months That Were Referred to SCT	7	2	4	13
Pending Cases From Previous Months That Were Referred to Other Authorities	8	6	1	15
Total Number Of Cases Resolved through Mediation Including Pending Cases	259 + 51 310	73 +26 99	48 +7 55	380 464
Total Number Of Cases Referred to SCT Including Pending Cases	18 + 7 25	19 + 2 21	11 + 4 15	48 61
Total Number Of Cases Referred to Other Authorities Including Pending Cases	36 +8 44	9 +6 15	13 +1 14	58 73



Council staff mediating complaints in Labasa office.



Brief Cases

Cases from the files of our
Consumer officers at Council.
Legal Service, general legal tips

Consumer charged for phone calls not made



When Mr A received his telephone bill, the last thing he expected to see on his phone bill was charges for calls not made

by him or his family members. Confused, he called Telecom Fiji Limited only to be told by them that he had no choice but to pay for these calls. Mr A refused and lodged a complaint with the Consumer Council. The Council arranged a meeting with TFL, Mr A and Council's complaint's officers where TFL thoroughly examined the phone records of Mr. A. Finally TFL concluded that the company had erred and the calls in question were not made by Mr. A's phone.

Telecom Fiji's explanation

Telecom Fiji explained that the wrongly billed numbers was a result of a cross line which occurred during the cyclone season as during such times, the cables and lines get tangled and tousled causing a mix-up of calls.

Result: Telecom refunded Mr A's account for all wrongly charged calls.

Your rights

To seek clarification on bills and demand refund if the calls are not made by your line.

Our advice

Please check your bills thoroughly before making payments.

Husband asked to pay his late wife's debts



After his wife's death, Mr B contacted Subrail's Furniture to find out what happens to the furniture

purchased by his deceased wife a year ago. He was told to continue with the payments but Mr B refused arguing that he was not the one who had signed the Hire Purchase agreement with Subrail's Furniture and questioned the reasons for

penalizing him. Mr B was willing to return the furniture but refused making any payments. On Subrail's insistence, he lodged his complaint with the Council.

Company's ignorance

During mediation, the Director of Subrail's Furniture informed that Mr B was not required to make payments as this was already covered by Subrail Furniture's insurance company. He said his finance manager wrongly advised Mr B because he was not aware that Mr B's late wife's debts had been taken care of by insurance company.

The Director decided to conduct one-day training with his managers to ensure such incidents were not repeated.

Results: Mr B was not only saved from making payments but was also allowed to keep the items.

Your Rights

If you have not signed any contractual agreement you are not liable

Our advice

Don't rely on the information given by officers but also get a second opinion.

Should your prize include costs of air tickets plus taxes?

When Ms C won an air ticket to New Zealand during Morris Hedstrom's promotion on Flash & Gain she did not expect to pay for other fees and charges to claim her prize. However, she was asked to pay for the tax charges by Air New Zealand



to claim her air ticket as Air New Zealand was only offering cost of air ticket for the trip to New Zealand while

taxes had to be paid by the winners.

Terms and conditions of promotion

Council's investigation revealed that MH promotion had terms and conditions attached under which Air New Zealand was offering only ticket cost for the trip to New Zealand. The airline also revealed that because of the cost dispute, Ms C had not claimed her ticket within the required time frame.

Results: However, although the time expired for Ms C's eligibility to claim her prize, Air New Zealand gave Ms the ticket for her trip as well as paid for all tax charges.

Your Rights

To seek full disclosure of information on promotions.

Our advice

Please read through the terms and conditions of promotions before participating

Consumer's right to service

All consumers have a right to highest possible standard of service and Mr D is no different. He had arranged with Avis



Rental to be picked by a shuttle from Holiday Inn and

dropped off to Nausori Airport but this service was not rendered to him; resulting in him missing out on a very important meeting with heads of government departments in Lautoka.

Damage control by Avis

Through Council's mediation, Avis apologized to Mr D for failing to meet its usual standard of service admitting that its driver had made a mistake. The rental company also promised to deal with the staff in question to ensure such incidents were not repeated.

Results: Mr D's airline ticket was reimbursed; Avis also offered a free chauffeur driven (Sedan car) to or from Nausori airport when Mr D comes back to Fiji for a visit or a free rental (rental only) for 1 day.

Your rights/Our advice

Consumers have a right to effective and efficient customer service.



Lodge complaints

Log on to:
www.consumersfiji.org

or

Email:

complaints@consumersfiji.org



Research

Findings from Council's research and market surveillance

Council wants hardware industry investigated for possible anti-competitive behavior

Recently the Ministry of Trade and Industry issued a directive to the Commerce Commission to look at anti-competitive behavior in the hardware industry. The Council also for long has been calling on investigation on exorbitant prices and unfair practices in the hardware sector.

Some of these trade practices include imposing unfair conditions and illegal exclusionary policies on customers such as major hardware outlets charging a "10% handling/service charge" for goods returned due to pre-purchase damage, inferior quality, wrong specifications usability, etc. Why such a charge is imposed especially when the consumer is not at fault for any damaged or inferior quality products? And on what basis have hardware stores come up with the "10%" figure? Hardware stores are not transparent about the true nature of the "handling/service" charge they claim to incur.

There is also a concern that the reasons for lack of competition in hardware sector was because some distributors were involved in price fixing which means setting prices for the retailers so consumers would find the same prices being charged on particular goods by most hardware outlets and 'shopping around' becomes a useless endeavor. Price fixing is anti-competitive and compromises the consumers' right to choice over prices.

The Council also strongly believes that



hardware prices in Fiji are exorbitantly high because of a transfer pricing system in existence amongst major hardware dealers where hardware outlets purchase their stock from their own foreign-based subsidiaries or "buying houses". These buying houses in fact act as "ghost middlemen" and consumers are actually paying for higher prices despite the hardware dealer and its so-called buying house being under the same ownership. Hardware companies engaging in such practices are not only unfair to consumers but also are deceptive against tax authorities by concealment of actual revenue generated.

Consumer complaints to the Council reveal that most hardware stores were flooding the country with many sub-standard, cheap and inferior quality products and selling at very high prices.

From January 2009 to date the Council received 50 official complaints against hardware suppliers. These ranged from

faulty and defective products, not providing redress for complaints and pricing issued.

Housing is a basic human need. Its quality, cost and availability are crucial to individuals, quality of life. Good housing also makes an important contribution to community spirit and identity.

In January and April 2009 after the 20% devaluation of the Fiji dollar the Council conducted a price survey on a basket of building materials needed to build a basic 20 x 19 ft timber house. A similar comparative survey was held for the same period this year (2010). Some of the materials used in building basic 20 x 19 ft timber house include 3ft pine posts, 3 x 2 purlins, 6" T hinges, 2ft louver blades, PVC glue and elbow, light and power point wire etc.

A price analysis of the two surveys revealed significant increases in the hardware prices within a 12-month period. The price increases ranged from as low as 0.7% to as high 57.9%. The survey found that 21 out of 41 building materials had jumped in prices at an average of 16.5%. Price drops were fairly low, ranging from 0.3% to 33.8%. Thus the percentage price increases are higher than the percentage price drops, suggesting that it is a more upward trend.

Table: List of items which increased by more than 10%.

No	Materials	Qty	2009 (\$)	2010 (\$)	↑ in \$	↑ Δ in %
1	3ft pine posts	12	237.00	312.00	↑ by \$75.00	↑ by 31.6%
2	3 x 2 purlins	250R/ft	207.28	245.06	↑ by \$37.78	↑ by 18.2%
3	6" T hinges	4pairs	11.26	17.47	↑ by \$6.21	↑ by 55.2%
4	2ft louver blades	88	101.20	140.77	↑ by \$39.57	↑ by 39.1%
5	Light	70m	87.50	97.50	↑ by \$10.00	↑ by 11.4%
6	Power point wire	50m	95.00	105.00	↑ by \$10.00	↑ by 10.5%
7	Switch wire	50m	33.75	40.00	↑ by \$6.25	↑ by 18.5%
8	PVC glue	1	7.66	8.60	↑ by \$0.94	↑ by 12.3%
9	Neophrene washer	3pkt	7.05	8.05	↑ by \$1.00	↑ by 14.2%
10	Shower rose	1	13.93	22.00	↑ by \$8.07	↑ by 57.9%
11	PVC elbow	4	1.66	2.12	↑ by \$0.46	↑ by 27.7%

Source: Market Survey Data, Consumer Council of Fiji, 15th January 2010.

The Council also wants the Commission and the Fiji Islands Revenue & Customs Authority to investigate transfer pricing on imports in the hardware sector. This would involve investigation in the overseas operations of subsidiaries (or buying houses) of local hardware companies.

Consumers at risk from unlicensed electrical contractors



The Consumer Council is concerned that some electrical businesses are providing electrical services without a license which is posing fire safety hazards and high level of risk to consumers.

The National Fire Authority has repeatedly called on home owners to ensure their properties are thoroughly checked by FEA-certified electrical contractors to prevent electrically-induced fires. However this advice cannot be effective if unlicensed contractors are left to run loose without their services being stopped by the regulator, the Fiji Electricity Authority.

The Council's research in the past two months has found 29 businesses listed in the Yellow Pages of the Fiji Telephone Directory, to be operating without a license from the Fiji Electricity Authority (FEA). Out of 64 businesses listed under "Electrical Contractors" in the Yellow Pages, 12 were not licensed. Some companies listed under "Refrigeration" provide electrical services without FEA license. Out of a total of 20 refrigeration companies, only two (2) are licensed by the FEA to do electrical work. Also, 11 companies provide both electrical and refrigeration work, but only three (3) are licensed by the FEA.

The Council's research involved cross-checking listed companies in the telephone book with the FEA list. Our research staff also posed as customers and called up the listed contractors and refrigeration companies inquiring about their electrical services.

Misleading or false information – Unlicensed electrical contractors are misleading consumers and the public by listing themselves under the 'Electrical Contractors' list in the Yellow Pages and even advertising services like wiring, even though they are not allowed to this. For this the Council calls on Fiji Directories Limited, the publishers of the Fiji Telephone Directories and Fiji Yellow Pages not to list unlicensed contractors in the 'Electrical

Contractors' list or other relevant lists as it can be misleading to consumers.

Consumers are unknowingly engaging the services of unlicensed electrical contractors which poses safety risks as the contractors have not been properly vetted by the FEA. Also consumers face risks of paying large sums of money for cheap wiring and poor workmanship.

Information on Licensed Contractors - The Council has also found that consumers are not being made aware of the licensed contractors available so that they can make informed choices when procuring electrical services. The Council has taken the initiative to place the FEA's current list of licensed contractors on its website (www.consumersfiji.org) so that consumers and the general public inform themselves of which contractors are allowed to provide electrical services.

The Council is urging the FEA to inform consumers of which businesses are licensed to do electrical work and also monitor the market and take unlicensed contractors to task with appropriate penalties.

Market Surveillance

Dirtiest supermarket - J. Santaram

During market surveillance, the Council officers found J. Santaram was smelly due to weak refrigeration, dirty floors, and dusty products. This is a reoccurring problem and despite warnings by consumer protection agencies. J. Santaram continues to compromise the health of consumers.

Repeat Offender - MH Nabua

MH Nabua had cockroaches and bird droppings on packed products like flour, rice and sugar. Rice was also found to be infested with bugs. The supermarket sold expired products, rotten fruits and vegetables and damaged products. Despite warnings to MH, Nabua about their poor quality products that poses huge risk to the health of consumers, they continue to sell these products.

Submissions file

OVER THE LAST SIX MONTHS Consumer Council of Fiji has made a number of submissions on behalf of consumers to various government task-forces, reviews and select committees:

Ministry of Education.

Submission on the exorbitant school levies in Fiji education sector where the Council recommended that Ministry of Education undertake a thorough research of all schools in Fiji on the fees and charges levied and provide a standard uniform benchmark for levies across all schools in the country.

Commerce Commission.

Submission on the Review of the Control of Substantial Market Power for Pacific Sun and Other Operators in the Domestic Market.

Fiji National Provident Fund.

Submission on the Review of the Fiji National Provident Fund Act where Council recommended the need to have an independent watchdog body entrusted with the mandate to protect pensioners' interest especially keeping an eye on FNPF's dealings, particularly where big loans are sanctioned without due diligence and transparency.

Commerce Commission.

Submission on the Review of the Control of Substantial Market Power for FINTEL's Landing Station where Council recommended the Commerce Commission to regulate the anomalies with FINTEL's market power for landing station as this will reduce rates of international connectivity in both voice and data communication in Fiji which is still at a higher rate despite the remove of FINTEL's exclusive right to provide such a service.

Commerce Commission

Submission on Retail Hardware Sector Prices where Council wants Commerce Commission to conduct full investigation into possible cases of collusion and cartel behavior in the hardware sector.



Campaigns

Council conducts campaigns and uses various strategies to bring reforms in Consumer Protection.

Council's campaign on Third Party Insurance gains momentum

In the past seven months the Consumer Council's campaign on Compulsory Third Party Insurance (CTPI) has gained a huge momentum with 19 official complaints lodged and 8 formal advices issued on the issue. The number of complaints and advices shows a marked increase in the awareness level on CTPI which was disturbingly low at the start of the campaign. This increase has been possible through mass media and community awareness and workshops to targeted groups.

The Council's Lautoka office recently formed partnership with the National Road Safety Council in educating school students in the Western Division on consumer rights and responsibilities which also includes sessions on CTPI.

CTPI campaign who Pays, Who Profits, Who loses was launched by the Council last year in November in a bid to highlight problems on CTPI laws and seek a fair and just deal for CTPI consumers and accident victims. The Campaign will run for a year.

Third Party Policies do not fairly compensate accident victims despite the law declaring it compulsory. Our findings reveal that many accident victims and even CTPI clients are not receiving fair redress and compensation due to exclusion clauses, legal costs and limitations by the law or ignorance.

The current third party policy creates a false sense of security through payment of a compulsory (annual) insurance cover which is then weaved in with various exclusion clauses in favor of the insurance companies who provide the cover. Unreasonable exclusion clause has left the grieving family or the accident victim to become government's responsibility or their families while insurance companies keeps the CTPI premium.

What is even more disturbing is that there is no ceiling set for the amount of compensation a victim can seek if he or she meets with an accident except for bus accidents which is \$40,000 per bus.

There are irregularities or limitations in the payouts as it is left entirely on the industry to make the decision. Often the accident victims (or the deceased's family) are left wondering if justice is indeed served under the current systems, policies and laws.

The objective of this campaign is to make the Third Party Insurance policies beneficial to all parties.

Meet CTPI Complainants



Faruk Hussein

Hussein, a taxi driver was involved in an accident in June, 2007 where he seriously injured his leg. As a result of this, he had to leave his job and is now unemployed. Through Councils help, Hussein lodged CTP claim with Sun Insurance to get some funds to help him meet his cost of living but his claim was rejected.

CTPI Denied: Hussein was denied claim simply because the driver of the vehicle which caused the accident did not have a licence for Heavy Goods Vehicle when he was driving.

Council says: Hussein as a road user expects all road users to follow law. But the driver who caused the accident did not have the valid licence so why is Hussein, a victim of accident being denied the Third Party claim. It was not Hussein's fault.



Penaia Rayawa

10-year-old Penaia was hit by an over-speeding vehicle. As a result, he fractured his leg and was hospitalized for months.

Penaia was recently discharged from the hospital but unfortunately he has lost the balance of his legs and hence is not able to walk properly. What's worse is that because of his injuries he is unable to attend school too. Penaia's parents lodged claims with Sun Insurance but it was rejected on the basis that Penaia was a minor and therefore, his claims could not be considered.

Council says: Any life whether minor or adult should not be denied their right to Third Party claim. This is another example of how CTPI policy has failed to fairly compensate innocent accident victims.

These are just a few examples; the list continues...



AusAid funded Council campaign success

Restaurant grading to start soon

We're pleased to report on the success of our campaign on unhygienic conditions in restaurants in Fiji. Since 2008, the Council has been advocating for adoption of a restaurant grading system to improve hygiene in eateries which was funded by AusAid. Preparatory work in this area has begun with stakeholder training workshops being conducted by health inspectors around the country. Early this year the Council's report on increasing number of complaints on unhygienic practices of restaurants and stale food in the media prompted the Minister for Health to direct his Food Unit to carry out study on how restaurants can be graded.

According to the Health Minister, a grading system will assist in encouraging improvements in service delivery in restaurants and needs to be prospected fully. He instructed the health inspectorate staff to be vigilant especially to the requests from the general public.



For the past 18 months, the trade practices of Morris Hedstrom have been in focus with the Consumer Council of Fiji. Below is an account of the actions Council has taken against some of MH's unfair practices.

Substandard meat



Council received complaints from consumers who had bought meat from MH stores and later found it was bad. Our market surveillance also made similar discoveries at MH retail outlets along Suva-Nausori corridor.

MH freezers at meat section were also always found emitting foul smell. Council lodged complaint on this with the Minister of Health and as a result Ministry's Food Unit confiscated 600kg of meat declared "unfit for human consumption" last year.

Misleading Labeling



As a result of Council's complaint, the Ministry of Health confiscated 250ml "Perfect Choice Soya bean Oil" from MH stores however, these products was found back on shelves. MH apologised to the public for this incident

Misleading price tags



The Council's market surveillance found a number of misleading price tags similar to the one shown at various MH outlets in Fiji. This is wrong; the saving should have been \$0.26. What's more is that the shelf price of this item was \$2.69 so in reality the saving was just \$0.10 cents and not \$1.50 as mentioned on the sale price on the product. A complaint on this was lodged with Department of Fair Trade and Consumer Affairs.

Selling supermarket shelf space



Council questioned MH on sale of its supermarket shelves space taking 5% rebate on volume sales labeling it as abuse of market power by the supermarket giant.

Flash & Gain Card



Last year the Council lodged a complaint with the Commerce Commission that MH Flash & Gain card was money making scheme rather than rewarding loyal customers. MH made \$1 million by selling these cards to 100,000 customers. How is this rewarding loyal customers.

Mysterious ALDI products



Council has solicited help from its counterparts in Australia to help uncover how ALDI products produced for specifically for ALDI stores in Australia found its way to the shelves of MH retail outlets.

Official complaint with Minister for Trade and Commerce



In November last year Council lodged a complaint against MH with the Minister of Trade and Commerce on all the re-occurring problems with MH. This included sale of substandard meat, Flash & Gain loyal program, sale of expired and damaged goods misleading price tags and advertisement.

Council's continuous efforts and campaign against the unfair and unethical trade practices has received support from Minister of Trade and Commerce.

Five Steps to a Financial Complaint

If customers feel that their complaints have not been satisfactorily addressed by the financial institution, they can lodge their complaints with the Reserve Bank of Fiji, the RBF has implemented processes and procedures to help in this regard. Below are the steps you can follow to lodge the complaint.

1

Go to the financial institutions first

Many complaints can be resolved promptly if you lodge your complaint directly with the Financial institution concerned at any of its branches. Complaints may be lodged in writing and verbally, by any reasonable means (such as letters, telephone, facsimile, email, or in person). Note, complaints can also be lodged by filling a Licenced Financial Institutions prescribed complaint form.



2

Take action quickly

Lodge your complaint immediately by providing information that will assist in analyzing your complaint. It is better to provide chronology of events with supporting documents. Important information such as dates, description of events person you dealt with or emails/letters exchanged must also be provided. Keep a copy of the complaint for it will be helpful if the financial institution fails to provide the redress.



3

Option provided by the Financial institution

If you are dissatisfied with the outcome, or with the manner in which the complaint was handled, you can request to see a senior officer which the financial institution should facilitate.

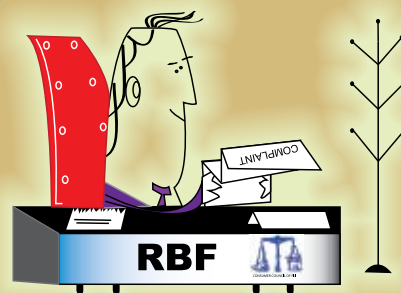


If you are still dissatisfied with the outcome, you can lodge your complaint with the RBF or Consumer Council of Fiji.

4

How will RBF assist you

The RBF is committed in ensuring that your complaint is taken seriously. The RBF has policy guideline on complaints management. In handling customer complaints, the RBF will:



- Investigate your complaint and determine the key issues;
- Seeks views from the financial institution concerned based on facts, issues, and circumstances of the complaint ;
- Assess the complaint based on facts and evidence;

You can address complaints to:

Financial Systems Development & Compliance Group.

Reserve Bank of Fiji, Tower 6 Reserve Bank Building, Pratt Street, Suva

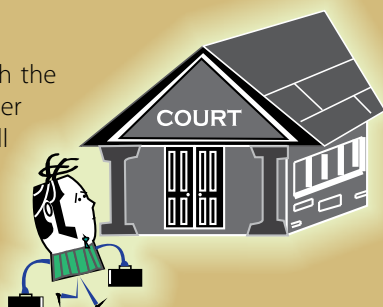
Tel: 3313 611 | Fax: 3301 688 | Email: info@rbf.gov.fj

Finally, RBF will inform you on the outcome in writing.

5

Going to court

If you are dissatisfied with the outcome, you can consider taking the matter to Small Claims Tribunal, if the amount involved is less than \$5,000 or to the court.



THUMPS UP: THE GOOD



Rups Big Bear

For replacing a bed

Complainant bought a bed from Rups Big Bear which became infested with bugs five months after purchase. Examination by Rups revealed the source of the bugs was not the material used for the bedding but surroundings where the customer had placed the bed. Despite this Rups Big Bear agreed to replace the bed.

Ratu Isikeli & Jai Narayan Enterprises Ltd

For providing refund

Ratu Isikeli & Jai Narayan Enterprise Ltd provided a refund to the complainant despite the complainant claiming his refund after four years. Complainant bought untreated pine in 2006 which he did not pick up. The untreated pine was cut according to the measurement given by the complainant and could not be kept for long. Despite this, the trader refunded the complainant's money.

Audio Visual Electronics

Refunding without a receipt

Audio Visual Electronics refunded a customer seeking refund after two weeks of purchase and not having a receipt as proof of purchase.

Courts Homecentres

For providing replacement

A complainant bought a fridge which became faulty and was beyond repairs. Complainant was told to pay in order to get a new fridge as that particular brand became obsolete after 4 years. Through Council's mediation, Courts Homecentres gave fridge to the customer free.

In another case, Courts Homecentres went out of its way to replace a damaged phone not covered under warranty.

Real Estate Agents Licensing Board

For cancelling the licence

Real Estate Agents Licensing Board for cancelling the provisional licence of Ohanah Realtors from operations since Ohanah Realtors was found to be practising in an unethical manner. Ohanah Realtors were not refunding the exorbitant amount of bonds taken from the clients. The matter was then brought to the attention of the Council who then forwarded the matter to REALB.

THUMPS DOWN: THE BAD



Fiji Telecommunication Ltd

Wrongful disconnection

For charging disconnection fee for bills paid on time at the Post Fiji outlet. The

poor internal miscommunication between Telecom and Post Fiji results in many wrongly disconnection of bills paid on time. It causes unnecessary confusion and frustration.

Nativa Motors Ltd

For charging inappropriate fee

Complainant paid deposit to Nativa Motors as they intended to purchase a vehicle. Unfortunately, the loan was declined by the financier ANZ. Therefore the Complainant could not purchase the vehicle; sadly Nativa Motors deducted 20% for cancellation charges as they say it's their policy.

Comsol's Misleading Ad

COMSOL Fiji Limited the popular retailer of new and second-hand IT products was advertising Dell Latitude D600 laptops for \$695. Comsol did not specify that the laptops were second-hand or refurbished. The Council raised the matter with Comsol and they obliged by amending their adverts where it was clarified that the items on sale were second-hand or refurbished. However, to our annoyance, this information is in very fine print and hardly legible. Such information should be written clearly so that it is easily seen by the consumers.

International News

New International recommendations on food marketing to kids welcomed

A new set of international recommendations calling on governments to take action on the marketing of food to children were agreed at the World Health Assembly (WHA) in Geneva on 20 May, 2010.

The World Health Organization's (WHO) recommendations call on governments to develop policies to reduce the impact of junk food marketing on children. The recommendations are particularly strong in calling for governments to ban all junk food marketing in areas where children are gathered, such as in schools and playgrounds.

Food marketing to children was recognized by the WHO as a contributing factor to rising levels of obesity and overweight in 2005, but the new recommendations make it clear that governments have a responsibility to ensure effective action is being taken.

In recent years several food companies have responded to these concerns with their own commitments. A number of surveys have,

however, suggested that these are having a limited impact

The new recommendations call on governments to set clear definitions for the key components of policy which could help to tighten the loopholes that exist in some companies' policies. The recommendations also call for monitoring and enforcement mechanisms and sanctions to be introduced.



Concern over chemicals in plastic

CHOICE is calling on the food industry to phase out the use of plastics containing potentially hazardous chemicals in baby products and food packaging. Consumers are being advised to avoid PVC cling wrap, used

for wrapping fresh meat and produce, and to consider cutting down on canned foods.

CHOICE says although the risk is low there's growing evidence that food can be contaminated by the use of certain types of plastics and cans and says consumers should be aware there are alternatives available.

Materials of particular concern include polycarbonate, used to make food storage containers and bottles, some of which are for infants; and epoxy resins used to line cans. Both of these polymers can release bisphenol A (BPA), which has been linked with serious health issues including an increased risk of heart disease and diabetes.

The safety of PVC is also in doubt because of chemicals called plasticisers, which are added to make it flexible and soft. These chemicals can leach into foods and some cause health problems.

CHOICE says consumers who want to reduce their exposure to these chemicals should avoid food packaging and baby products with the voluntary identification code 3 (PVC) and 7 (a catch-all category which includes polycarbonate and plastics you can't easily identify).

Fiji's copyright laws disadvantage consumers: CI Survey

Consumers International (CI) has opened up new frontiers to define consumers' access to knowledge that laws may conventionally prohibit. Fiji has been rated Grade "C" by the 2010 CI's Intellectual Property (IP) Watchlist after an international survey on the state of access to knowledge found that the copyright laws and enforcement practices of this country poses a barrier to consumers' access to knowledge.

CI's IP Watchlist is a global snapshot of how national IP and copyright laws serve or subvert consumer interests. For 2010, CI conducted a survey on the state of access to knowledge or A2K, for short, in 34 countries around the world including Fiji.

These were based on 60 criteria-some of which were freedom to access and use of copyright materials by home users, for education, online, by content creators, by the press, by libraries, by disabled users, in public affairs and freedom to share and transfer copyright materials. Grade A represents a good score that shows that consumers' interests are being observed in particular criteria while B, C and D are progressively not so good and F is a fail.

The two categories that Fiji's copyright laws failed miserably and received grade F were freedom to access and use by disabled people and freedom to share information and knowledge with their neighbours. This means that Fiji is doing very

little to promote consumers' freedom to share information and knowledge with their neighbours. We could do better if we devoted resources towards maintaining and promoting public domain material (to which no copyright applies) and encourage the take-up of Creative Commons licences and open source software.



Many consumers don't know, that they are breaching copyright laws by downloading music to MP3 players.

A fail in freedom to access and use by physically challenged people mean that Fiji's copyright laws and enforcement practices are not favourable towards disabled consumers unlike other countries where for example, blind consumers easily and lawfully access books in formats such as Braille.

One of the categories that Fiji did well and received B was in freedom to access and use by the press. However, this category does not have direct relevance to consumers as while journalists access and

use of copyright material is important, they are more likely than consumers to have means to pay for it.

Consumer movements are not against the copyright laws or that the rights authors should not be respected and protected. However, we would like to see more balance into the equation with more countries adopting "fair use" exception within their copyright legislation. Here any exception is confined to certain special cases which do not conflict with a normal exploitation of the work and do not unreasonably prejudice the legitimate interests of the rights holder. For example United States allows transferring music to an MP3 player or recording your favourite television show to watch later as "fair use" under its IP laws.

Consumer movements believe good IP laws should not be about strict copyright protection as one small group of special interest demands, but about fair and open access that contributes to innovation broadly and a vibrant and prosperous public domain.

Meanwhile countries whose IP laws and enforcement practices best support consumers' access to knowledge are India, Lebanon, Pakistan, United States, South Africa and Bangladesh while countries with worst support are Chile, United Kingdom, Japan and Kenya.

Telecom Fiji's brochure on "HOME BASIC PLAN" is a waste of Money.

Telecom Fiji's brochure on its promotional package titled "Home Basic Plan" which is supposed to inform post pay residential customers on the savings offered by Telecom to offset the 33% increase in local call charges is a waste of money as it lacks important detailed information on how the plan works and how will it benefit the consumers.

The full colour two sided leaflet is full of marketing phrases rather than crucial information for consumers. The brochure has big bold prints stating "\$9.00 worth of FREE local calls every month-equivalent to 56 calls with unlimited talk-time". Unfortunately the brochure fails to provide key information needed by consumers to understand how this plan will work. For example, will consumers making only 56 local calls will be required to pay rental fee only? Are customers required to make certain number of calls first before they could qualify for the 56 free calls? What measures have been put in place by Telecom to let customers know that they have exhausted their cap of 56 free calls and every local call they make from here on will be charged? How is the "Home Basic Plan" operationalised?

The above information which is extremely important for consumers to understand how they will benefit from the plan is missing. The Council questions Telecom's rationale for spending money to prepare brochures which is not meaningful to the consumers.

By advertising statements like "\$9.00 worth of FREE local calls

every month- equivalent to 56 calls with unlimited talk-time" in big bold prints, the brochure is actually encouraging customers to make more calls thinking they will receive huge savings.

We hope that this brochure is not being used as a gimmick by Telecom Fiji Limited to paint a glorious picture of \$9.00 worth of call savings every month in consumers mind and divert their attention from the more crucial issue of increase in telecom call charges.



Drink makers, retailers pass on duty hike to consumers

A CONSUMER Council price survey for some of the most popular brands of carbonated soft drinks has revealed price increases beyond the 5 cents per litre excise duty under the Government's 2010 budget.

Despite, a mere 5 cents per litre excise duty on carbonated drinks imposed by the government, the Council has found some of the most popular one litre brands have gone up by as much as 50 cents, defying logic. Prices have increased from 6 to 35%.



The Government in its 2010 Budget imposed the 5 cents/litre excise duty on all carbonated drinks. Any increase in the prices of these drinks should have been around 3% but the January survey showed that on average the prices of 330ml most brands of soft drinks had increased by at least 20%. Similarly for larger 2.25 litre bottles which have increase in price on average of between 20 to 25%.

The most significant price increase was

seen in the 1 litre, 1.25 litres and 2 litre bottles where the increase was from 25% to 40%. It is imperative to note that the price survey was conducted during normal period and not during sale.

The Council believes that manufacturers, wholesalers and retailers of carbonated drinks have used the 2010 budget as an opportunity to increase their profit margins by simply increasing the price of carbonated soft drinks by more than 5 cents/litre. Thus making it appear as if the price increase of up to 35% was as a result of increase in excise duty.

The beverage industry after increasing the price of soft drinks by a huge margin is not complaining that their sales is down because consumers cannot afford to buy drinks due to increase in cost. It is ironic that whenever, the Ministry of Environment intends to introduce deposit refund system to keep our environment clean, the beverage industry complains that any increase in price will affect their sales.

However, in this case because the industry increased the price much more than the duty imposed by the government, we hear no grumbling.

What is most disturbing is that the beverage industry is stopping consumers from

exercising their consumer responsibility where consumers are willing to put 10cents deposit on PET bottle. Unfortunately, in the last 6 years the beverage industry has objected to deposit refund system by basing their argument that any increase in the price of their products would reduce sales.

The current price increase by the industry gives signal to the government that deposit-refund system should be made mandatory because industries argument is no longer valid. The current beer-bottle system is a proof of how successful the deposit-refund system could be as we hardly see any beer bottle lying around anywhere. The deposit-refund system will provide an incentive to consumers to sell empty bottles in return of small cash rather than just throwing it away anyhow. It also provides an opportunity to people especially the low income earners to earn by collecting plastic bottles.

The beverage industry has been hoodwinking the public with their soft approach such as education awareness, providing bins, permit system, collection centres to name a few. Economic incentive is the most effective way to protect our environment and therefore the focus should be on the deposit –refund system.

What's the mystery behind ALDI products?

The issue of Australian ALDI products being sold in Fiji is heating up with ALDI Australia launching its own investigation on how its damaged and expired products have ended up on supermarkets shelves in Fiji.

While MH is still mum on the issue, ALDI in Australia has alleged that its exclusive products are being sold without its consent by Fiji's largest retail and wholesale organisation. Not only this but John Webster, the CEO of Foodbank has also strongly denied suggestions that some of the near-expired ALDI products donated to his organization may have been sold abroad.

ALDI has told Radio Australia's Pacific Beat programme that its own investigations have concluded the likely source of ALDI products in Fiji were Morris Hedstrom buyers, consolidating small purchases across Australian grocery retail outlets, which were then exported to Fiji. While it was not illegal to export grocery items

to Fiji, ALDI has encouraged the Fijian government to put measures in place to prevent the distribution and retail of unacceptable goods in local supermarkets and encourage relevant food safety.

ALDI further explained that sometimes groceries nearing their expiry date were donated to Australian food relief organizations, who distribute them locally to people in need. However, Mr Webster strongly denied all suggestions of donated food being re-sold to Fiji arguing that all the food donated from Australian food industry were only provided to welfare agencies in Australia for feeding hungry people in the country. He also told Pacific Beat that there was a legal agreement in place with all the food agencies to only direct providers of the food to people who were hungry in Australia; also committing that it won't be resold.

There are also fears that products close or past their expiry date from other Australian retailers have also ended up in Fiji.

Meanwhile, the Consumer Council is soliciting help from its counterpart in Australia to trace the supply chain of ALDI products sold in Fiji.



How did ALDI products ended up in Fiji Supermarkets is still a mystery.

Your Letters & Emails

Land Lord Tenancy

Can you please advise if a landlord is in a position to increase an ongoing commercial tenancy rate at the expiry of a contract? A 50 percent increase is a ridiculous sum- is there any other avenue I can seek help for a fair rent assessment.

Rambhagat Lal

Council Says

Since the issue here is of the commercial tenancy- we would like to inform you that the rental freeze on commercial tenancy has been lifted hence the rent can be increased.

For residential tenancy, the landlords cannot increase the rent of existing tenants.

You can call the Prices and Incomes Board for further assistance on 3309266.

Money Lending

I would appreciate if you could advice me with the money lending policies particularly the interest charged. How does these interest work with their agreement , can money-lenders charge us 20% interest every week until the full amount is paid, or is it a fixed rate of 20% interest per annum?

Council Says

Money lenders are only allowed to charge 12 percent interest per annum. In your case, the Council would advise you is to log onto our website www.consumersfiji.org and lodge an online complain.

Cigarette Prices

Could British American Tobacco or the Consumer Council tell me, what is the

correct price for a packet of 10 Rothmans cigarettes?

In Lami town the prices range from \$2.90 to \$3.35.

Joeli Tawake | Lami

Council Says

Cigarettes or any tobacco product are not under price control.

The only items under price control are mostly essential food items.

Cigarettes are non-essential and not under any regulatory prices, therefore retailers are at liberty to charge whatever prices they want or charge the recommended price by the manufacturer/supplier.

British American Tobacco (BAT) has recommended retail prices (RRP) and recommended wholesale prices for its approved retailers and distributors. These prices cannot be advertised publicly as it would contravene the Tobacco Control Act.

Bank Fees

Could the Commerce Commission or Consumer Council of Fiji find out if any account maintenance is actually done to the banks and a fee of \$2 charged every month?

When we had passbooks no account maintenance was done or any withdrawal fees charged.

It would be a good idea if the bank can explain what they actually do and how much it costs them.

Could they explain why they charge electronic transfer fees when sending emails from point A to point B is free?

Are we being ripped off?

By Gurdial Singh - Savusavu

Council Says

Bank account maintenance fee is levied by majority of the banks in Fiji while in Australia this levy is exempted on some accounts. However this is not consistent in Fiji.

Monthly maintenance fees can have a large effect on savings account balance. The average maintenance fee of \$2 per month would cost a bank customer \$24 in a year. Similarly 0.30 cents per withdrawal fee for a minimum of four withdrawals per month would be \$1.20 per month and \$14.40 per year. On an average it would cost a bank customer \$38.40 an year for just holding a savings account in a bank.

What do customers get from banks in return? If your balance is less than \$250 or for some banks less than \$500 you don't get any interest on savings. And if by luck a customer has a static balance of \$250 to \$1,999.99 throughout the year, the customer would get an interest of about \$0.25 cents per annum. Saving accounts with small balance face closure because of continuous deductions through maintenance fees. Mr. Gurdial's question on "are customers being ripped off?" the Council would leave this on the consumers to decide.

The Council would like to advise consumers to carefully scrutinize the fees, charges and interest rates of each accounts and banks before selecting a service and if they feel that the bank fees and charges are unfair and unreasonable they could lodge complaints with the Reserve Bank of Fiji as they are the regulators of banks and also hold the power to approve or disapprove these charges.

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