2016-2017 NATIONAL BUDGET

A PROGRESSIVE BUDGET

The 2016-2017 national Budget aims at driving a full economic recovery and rebuilding the lives of Fijians following the unprecedented devastation caused by Tropical Cyclone Winston in February, while relieving Fijian families from any further tax increases.

The VAT rate remains at 9 percent including other import duty reductions made on a number of household items in 2016 National Budget – an effort to reduce household expenses and restore the buying power of Fijian consumers.

Consumers will continue to enjoy State-driven incentives such as free education and bus fare, water and medicine assistance schemes.

Government has also removed the 3 percent credit card levy to encourage consumers to move towards cash less society. The idea is to make Fijians rely less on paper money and more on plastic and mobile wallet for all types of transactions.

2016-2017 Delights (duty reductions)

- Modems – 5% to 0%
- Batteries and power systems -32% to 5%
- Vape mats -15% to 5%
- Surgical gloves - 32% to 5%
- New passenger vehicles-15% to 5%
- 2-3 seater panel vehicle – 32% to 5%
- Second-hand goods trailer -32% to 15% or $6,770 to $3,000 whichever is greater

Heavy on the Pockets (Import excise duty/tax increases)

- Cigarettes/tobacco - 15%
- Alcohol -15%
- Sugar-sweetened and carbonated drinks -20 cents per litre
- Duty on second-hand vehicles has increased. 1,000 to 1,500cc vehicles will attract a $7500 specific duty while 1500 to 2,500cc second hand vehicles will attract a specific duty of $11,500. Based on the size of the engines, duties will increase further to $18,000 and $23,000 on second hand vehicles with bigger engines.

All new hybrid vehicles will continue to enjoy zero duty for the next two years while duty will be charged on second hand hybrid vehicles from next year.

Among other benefits for consumers in the new Budget, FRCA will publicise the landed cost of second-hand vehicles. While delivering the 2016-2017 Budget, Finance Minister Aiyaz Sayed-Khaiyum gave the example of how some second-hand dealers import vehicles for $8,000 (landed cost) and sell them to consumers for $22,000. The new system will give consumers an opportunity to make an informed choice when buying a second-hand vehicle and enable them to negotiate a better price.

Some traders/retailers have failed to adjust prices at retail level. Now, with a 24 hour toll-free helpline, Fijians will be able to report instances where prices do not reflect the duty and VAT reductions which come into effect this year. Since 1 January 2016, the Council has recorded 148 VAT-related queries/complaints and passed them on to the Fiji Revenue & Customs Authority (FRCA) for enforcement. Consequently, FRCA collected $700,000 in fines from supermarkets, a cinema company, stores, restaurants and car dealers.

Fijian consumers will also benefit from new VAT Monitoring System announced by the Finance Minister, as well as the National Consumer Helpline which will be launched in mid July by the Council. In the past, duty reductions have not been passed on to consumers as some traders/retailers have failed to adjust prices at retail level. Now, with a 24 hour toll-free helpline, Fijians will be able to report instances where prices do not reflect the duty and VAT reductions which come into effect this year. Since 1 January 2016, the Council has recorded 148 VAT-related queries/complaints and passed them on to the Fiji Revenue & Customs Authority (FRCA) for enforcement. Consequently, FRCA collected $700,000 in fines from supermarkets, a cinema company, stores, restaurants and car dealers.

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The year 2016 began on a high note for the Council, the consumers and the nation as a whole with the implementation of the new 9 percent VAT rate, reduced from the previous 15 percent as a key Government initiative to ease the cost of living for all Fijians. However, the gains were undermined by severe Tropical Cyclone Winston, as well as other tropical depressions and floods that followed, making the rest of the year so far full of challenges for consumers.

Gains and losses
From 1 January 2016, consumers eagerly expected the prices of thousands of goods and services to drop but this was not as simple as it sounded given that some businesses did not bother to make adjustments to the State-driven tax reforms. The Council played a lead role with the Fiji Revenue & Customs Authority (FRCA) and the Fiji Commerce Commission (FCC), to monitor and assist in exposing those unscrupulous traders and service providers that did not pass on the gains from the VAT reduction to consumers. By 31 May 2016, the Council had received a total of 148 VAT related complaints and queries.

Plans are in place for the Council to offer a toll-free Consumer Helpline to assist consumers with inquiries or to file complaints against traders and service providers that fail to pass VAT reductions to consumers. The Government through the 2016 Budget committed $150,000 towards this initiative, which will enable consumers to use a toll free number to call the Consumer Council seven days a week. Launching the Consumer Helpline facility has been delayed as the Council had to negotiate call rates with telecommunications companies. A toll free number - 155 - has been set aside by the Telecommunications Authority of Fiji (TAF) for the Consumer Helpline. The Council expects the complaints floodgates to open once the facility is activated, thus keeping the Council even busier.

TC Winston, recorded notably as the Southern Hemisphere’s strongest storm, had a devastating effect on the entire nation, with 42 lives lost and many households completely destroyed. Amidst such a scenario, we found instances of basic goods and services price skyrock eting.

Some traders and market vendors shamelessly took advantage of the state of natural disaster to engage in price-gouging to earn extra dollars. The price of fresh vegetables increased unrealisti cally where consumers paid as high as $15 for one round cabbage and $5 for just 5 pieces of okra. These cases kept the Council (all three regional offices) on its toes.

As we all picked ourselves up from the ruins, one of the Government’s most timely interventions was to assist consumers in rebuilding their lives by passing the Fair Reporting of Credit Act of 2016 in Parliament on 27 April. This was a big win for consumers and a major achievement for the Council, which has been lobbying for the last 10 years to get the Data Bureau Limited (DBL) regulated. This line of business needed a proper legislative structure and ground rules particularly when peoples’ sensitive financial details were being traded. This new legislation which the Council welcomed wholeheartedly has consumers’ interests at heart as it protects their privacy and integrity. For many years, consumers had suffered at the hands of DBL, a body that had acted as judge, jury and executioner.

Another good news is the setting up of the Fiji Mediation Centre (FMC) which is now operational, with consumers slowly opting to use the services of the FMC. However, more needs to be done in terms of creating awareness on the concept of mediation. The Council is greatly indebted to its donor-partner the European Union (EU) for supporting the promotion and awareness of mediation as a mechanism to resolve complaints and the importance of the role of the FMC. The Council organised a Mediators’ Forum and a Stakeholders’ Seminar, jointly with the Judicial Department to create awareness so that consumers and businesses can use the FMC to resolve disputes. The Council wishes to thank the EU for putting their trust and confidence in the Council to make the Fijian consumers more informed and assertive.

The Council, as in previous years, celebrated the 2016 World Consumer Rights Day with the theme, ‘Stop Misuse of Antibiotics’ by partnering with the Ministry of Health and Medical Services and the World Health Organization (WHO) to create awareness on this issue. The Council produced fact sheets (in three languages) to inform and educate consumers and medical practitioners on how they could help combat the battle of emerging superbugs that are making antibiotics less effective. Through press briefings and media releases, the Council also raised awareness levels of the consumers on the issue of antibiotics.

The Council has been receiving complaints as usual, ranging from landlord-tenancy, faulty electronic goods, mobile phones, food and drinks, online shopping (return of the Pink Window Creations), and on utility bills. A total of 1,011 complaints were registered since 1 January 2016 to 31 May 2016 with a total monetary value of $1915,036/70. The Council believes that there are more consumers out there who are hoodwinked by some businesses and it encourages them to come forward to lodge their complaints with us. It should be noted and kept in mind that the Council has taken an evidence-based approach when dealing with complaints from consumers, to help them effectively.

In the past 5 months, consumers saw a huge drop in fuel and cooking gas prices at retail level. The FCC also slashed the cost of interconnection rates substantially, resulting in big savings for consumers and the business community. It is a significant victory for Vodafone customers who paid exorbitant rates to call Digicel and Telecom Fiji Limited (TFL) networks.

The Council views the 2016-2017 National Budget as ‘forward looking’ and welcomes the modest increase in the Council’s budgetary allocation. We look forward to working closely with FRCA and Fiji Commerce Commission in ensuring all duty reductions are passed on to the consumers.

Premla Kumar
Chief Executive Officer
Fiji should take its cue from Australia where a new law was passed in February 2016 to end excessive surcharges on payments made via credit card and debit cards. With the Competition and Consumer Amendment (Payment Surcharges) Bill 2015, the Australian Government is committed to improving Australia’s payments system to achieve a more efficient system and fairer outcomes for consumers and business.

The new laws will ensure customers are only charged according to the true amount of a merchant’s costs in accepting payment. Companies that don’t play by the rules risk being slapped with an infringement notice and fine of up to $120,000 by the Australian Competition and Consumer Commission (ACCC) which has new powers to enforce the ban on surcharging.

A surcharge will be deemed excessive when a merchant charges the customer any more than the true cost of the transaction when accepting payment by cards.

Many companies don’t just pass on the cost of using credit cards, but actually see credit card payments as a profit centre for the company. The worst culprits are hotels and airlines. For instance, the Qantas $7 card surcharge on a cheap flight was 348 per cent more than the likely cost of the transaction ($1.56), while Jetstar’s $8.50 surcharge accounted for a mark-up of 1187 per cent on the likely cost of 66 cents.

India, too, is in a bid to promote payments through cards and digital means. Early this year cleared a proposal to withdraw surcharges, service charges and convenience fees on cards and digital payments.

It is time Fiji bans surcharges on credit cards, giving Fijian consumers protection from unreasonable surcharges as Fiji moves towards a less-cash economy.

Some merchants have imposed exorbitant surcharges since the ‘No Surcharging Rule’ initially issued in 2012 was withdrawn. While consumers have a choice of payment system, this should not mean that merchants can charge more than the actual cost of processing the payment.

Local airline Fiji Airways charges a “$10 per ticket” credit card surcharge for purchasing tickets. Consumers are disappointed that they have to pay $10 per ticket rather than ‘per transaction’. Can Fiji Airways prove that the merchants cost for using credit card for a family of four is $40 when the payment is made by one transaction?

In any marketplace, electronic payments and credit cards are critical for the efficient operation of the economy. It is therefore crucial that consumers are treated fairly to boost confidence in the payments system.

In many cases, credit card surcharges are even in violation of merchant contracts.

Australia is different. Not only are credit card surcharges common. Many companies don’t just pass on the cost of using credit cards, but actually profit by facilitating consumer to use of them.

The Competition and Consumer Amendment (Payment Surcharges) Bill 2015, passed in the Australian Senate, will instate tough new laws to end excessive surcharges on card payments.

A statement labelled card and other electronic payments is deemed as “critical for the efficient operation of the economy”.

The new laws will ensure customers are only charged according to the true amount of a merchant’s costs in accepting payment.

### FAST FOOD AND CULTURAL SENSITIVITY

The Council called on restaurants and food-sellers to exercise responsibility in the area of cultural sensitivity.

The Council’s plea follows a complaint against the fast-food giant, McDonald’s, (Laucala Bay branch) for serving a customer against the fast-food giant, McDonald’s, the area of cultural sensitivity.

The Council reminded restaurants that such laxity and negligence is unacceptable given that we are living in a secular state with respect for all religions and cultures. All fast food restaurants, corner-eaters and roadside food-stall operators must be cautious and show respect for the culture and the sentiments of their customers.

Many people are vegetarians due to religious reasons, and in some cases even the vegetarian product that has come into contact with a non-vegetarian product is unacceptable. Hence, McDonald’s must take a close look at its operations to address the special requirements of non-beef eating customers.

McDonald’s is one of the world’s largest fast food chain and has in the past, issued an apology and paid a hefty sum to vegetarian and religious groups to settle a lawsuit. The most well-known such case was when vegetarian groups sued McDonald’s for including beef in its French fries, this ended in a multi-million-dollar settlement. The Council reiterated that Fiji’s Food Safety Act 2003 and Food Safety Regulations 2009 require certain religious and cultural sensitivities to be considered when disclosing information regarding food products. Also, Section 24 (j) of the Food Safety Regulations 2009 is clear - claims on the absence of beef or pork or its derivatives or lard or added alcohol are prohibited if the food does not normally contain such ingredient.
The enactment of the new law does not mean that consumers who owe money to banks and credit-providers should stop making payments. The new law only erases the credit history, not the loan which the consumers must clear.

In short, the Fair Reporting of Credit Act 2016 protects the rights and has the interest of consumers at heart. The Act lays down a legislative structure of how credit reporting agencies in future, will operate.

Some salient features of the legislation include:

- Prohibiting persons from obtaining data or credit information with respect to any person without their written consent, which will be an offence and is liable on conviction to a fine not exceeding $10,000 or two-year jail term or both.
- Disallowing anyone to knowingly provide false, inaccurate, erroneous credit information or data pertaining to a borrower - A credit reporting agency commits an offence and is liable on conviction to a fine not exceeding $10,000 or imprisonment for a term not exceeding two years or both for providing false, inaccurate or erroneous credit information or data pertaining to a borrower.
- A credit reporting agency must submit to the Regulator, Reserve Bank of Fiji an annual compliance report together with audited financial statements. The annual compliance report should stipulate procedures used by the agency to ensure that data received and reported are accurate, confidentiality of data is maintained and complaints are resolved promptly.

The credibility of the data collected by DBL was questionable because it operated under a disclaimer - ‘You must be aware that the information on your credit report is supplied by third parties, you must be held liable for its inaccuracy’.

The other pressing issue was that personal financial data was obtained under duress from consumers, who are compelled to sign credit contracts when their progress was hindered in today’s competitive world. Many families, particularly in the working class, rely on credit to own a house, a car or paying for their children’s higher education.

With the Fair Reporting of Credit Act 2016 coming into effect on 27 May 2016, DBL’s operations ceased and all credit history had to be handed over to the Reserve Bank of Fiji, never to be used again. This gives all the consumers whose names were listed on the DBL’s database a new start based on the regulations developed by the Reserve Bank of Fiji.

Those whose names were listed on DBL’s database could not access credit or buy goods on hire purchase. As such, their progress was hindered in today’s competitive world. Many families, particularly in the working class, rely on credit to own a house, a car or paying for their children’s higher education.

It took almost a decade in getting credit reporting agencies regulated, to ensure Fijians are no longer held at ransom by Data Bureau Limited (DBL).

The new law does not ban credit reporting agencies such as DBL from operating in Fiji. However, any such agency will now have to do their business under a legislative framework.

On 22 April 2016, the Fiji Commerce Commission (FCC) has reduced interconnection rates substantially, resulting in big saving for consumers and the business community because calling between networks is much cheaper now.

Reduced interconnection rates will stimulate competition and it will be fair for new entrants in the marketplace. We now expect to see a good level of competition resulting in competitive prices.

It is a significant victory for Vodafone customers who paid exorbitant rates to call Digicel and Telecom Fiji Limited (TFL) networks. The billing mechanism of charging on a unit basis (30 second block) for Vodafone on-net calls and charging per minute for off-net calls (Vodafone to Digicel) has been removed. According to FCC, all telephone operators must apply the same charging mechanism for all domestic calls regardless of whether they are users of the same network or other networks.

Previously a Vodafone customer paid 42 cents (charged per minute) for a call duration of 30 seconds and now that same 30 second call duration will cost 24 cents for calling a Digicel number during peak hours and 21 cents during off peak hours.

An Inkk customer calling Digicel previously for a duration of 30 seconds paid 47 cents charged per minute and now the same call duration will cost 26 cents.

Meanwhile, mobile telecommunication providers should focus on improving their services as we continue to receive concerns from consumers regarding call drops, low Internet speed, loss of data and consumers facing inconvenience when topping up. Mobile users in rural and maritime areas need attention as they do not get value for their money due to network issues. There is no point in having low rates if consumers continue to face call drops and cannot enjoy the service.
To Stop Crash Partnership
Fijian Consumers To Stand In Solidarity

Just as the United Nations General Assembly acknowledged that clean drinking water and sanitation are essential to the realisation of all human rights, a new UN resolution also backs the rights of consumers to safe vehicles. The resolution puts consumer organisations in a stronger position to push for immediate action, holding governments and manufacturers accountable to the standards.

This will compel car manufacturers and governments to improve vehicle safety standards throughout the world by 2020.

Consumers International (CI) early this year joined the campaign STOP THE CRASH, calling for key crash avoidance technologies to be fitted as standard in all new cars and motorcycles, to help reduce the 1.25 million deaths that occur every year from road crashes around the world.

This commitment towards road safety is a significant milestone in the bid to reduce the number of people killed and injured on our roads.

Road accidents in Fiji have left many families devastated over the years. A total of 578 lives have been lost on our roads since 2006.

These numbers are shocking for a country with a population of less than a million. Apart from the massive loss of human life, these road accidents cause societal and economic damage.

Government remains committed to keeping our roads safer. It allocated $60,000 for road safety awareness programmes and purchase of traffic management equipment, budgeted at $350,000. The Land Transport Authority (LTA) was allocated $230,000 in the 2016 national Budget to create awareness on road safety.

There is much road safety awareness work underway with police, LTA and road users working together. What is lacking is the engagement of the car dealers who import vehicles.

There has been no discussion on importing ‘safer’ vehicles to Fiji. The big question is whether the cars imported into Fiji are safe. Specifically, are there any regulations in place that ensure safety standards for the travelling public?

Unfortunately, there are no standards in place to ensure Fijian consumers get safe cars for the money they pay. Not all consumers question whether the vehicles they’re buying have safety features which would keep them and their loved ones safe.

Car manufacturers make new cars based on importing countries’ standards. If the country has no standard, it is likely that the lifesaving technologies will not be there in new vehicles. In many low- and middle-income countries, where regulations/standards are not in place, the car companies save on production costs by selling new cars which lack even basic safety features.

To prevent the sale of unsafe vehicles across the globe, governments in all countries need to set laws that require at least the most basic safety features in vehicles.

The safety technologies that should be made mandatory are:

- **Electronic Stability Control (ESC)**
- **Auto Emergency Braking (AEB)**
- **Anti-Lock Brakes for Motorcycles**

**Electronic Stability Control (ESC)**

ESC is an anti-lock brake system that helps the rider to maintain control on curves and slippery roads. ESC reduces the risk of a single-vehicle crash by about half and the risk of a fatal rollover by as much as 80 percent. ESC in particular is considered to be the most important vehicle safety development since the seat belt.

**Auto Emergency Braking (AEB)**

AEB is a system that can alert the driver to an imminent crash and help them use the maximum braking capacity of the vehicle. Many AEB systems deploy airbags, deploy seat belts, and help the driver avoid a crash or mitigate its impact by braking automatically.

**Anti-Lock Brakes for Motorcycles**

The Motorcycle Anti-lock Brake System (ABS) prevents the wheels of a powered two-wheeler from locking during braking situations. Based on information from wheel speed sensors the ABS unit adjusts the pressure of the brake fluid in order to keep traction and avoid falls. (e.g. maintain deceleration) Motorcycle ABS helps the rider to maintain stability during braking and to decrease the stopping distance. It provides traction even on low friction surfaces. While older ABS models are derived from cars, recent ABS are the result of research oriented on the specifics of motorcycles in case of size, weight and functionality. National and international organizations evaluate Motorcycle ABS as an important factor to increase safety and reduce motorcycle accident numbers. The European Commission passed legislation in 2012 that made the fitment with ABS for all new motorcycles above 125cc to be mandatory from 1 January 2016.

**Low Speed system** - this version targets city driving where crashes often occur at low speeds but can cause debilitating injury such as whiplash injuries. Typically, these systems look for the reflectivity of other vehicles and are not as sensitive to pedestrians or roadside objects.

**Higher Speed system** - this version typically utilises long range radar to scan further ahead of the vehicle (up to 200 metres) at higher speeds.

**Pedestrians** - these versions use a camera combined with radar to detect vulnerable road users through their shape and characteristics. The way in which pedestrians move relative to the path of the vehicle is calculated to determine whether they are in danger of being struck.

These three systems of AEB are not mutually exclusive and there are vehicles that may have two or more versions. It is important to note that within each type of system there will also be variations in functionality depending on the manufacturer and even car model (in terms of warnings, braking function, time-to-collision etc). Safety technologies widely available in advanced economies for many years, have proved to save lives.

**Bottom Line**

Fiji does not have regulations for car safety for the motor industry to adhere to.

Many countries, including the United States, Israel, Ireland, Japan, Russia, South Korea and Turkey have decided that all new cars sold in their territories must have ESC, a device that allows cars to stabilise when a sudden and unexpected manoeuvre occurs, reducing the risk of roll-overs.

In the case of the United States, mandatory ESC was introduced in all new cars in 2012. It is estimated that the device has since saved more than 6,000 lives.

**Council’s complaint list** - Brand New Vehicles and Second Hand Vehicles

Since 2011 to date, the Council received 182 complaints worth $2.2 million regarding defects in both brand new motor vehicles and the second hand vehicles. Consumers still face numerous hurdles and stumbling blocks, such as vehicles in poor or even dangerous condition, unfair financing arrangements, deceptive sales practices, junk and unsafe vehicles with cosmetic treatment and outright fraud.

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Stop Misuse of ANTIBIOTICS

The Consumer Council of Fiji celebrated the 2016 World Consumer Rights Day (WCRD) with the theme: ‘Stop Misuse of Antibiotics’ in conjunction with the Ministry of Health and Medical Services and the World Health Organization (WHO).

Unfortunately, many Fijians are unaware of the dangers of misusing antibiotics. They are purchasing antibiotics over the counter without a doctor’s prescription, not knowing that viral infections such as cold, flu and cough cannot be fixed by antibiotics. Consumers should not use leftover antibiotics, must complete the course and not use other antibiotics.

The key messages during WCRD were that consumers should not spend their money to buy antibiotics unwisely and should only use antibiotics appropriately based on the doctor’s prescription. Secondly, that doctors and nurses should avoid over-prescribing antibiotics. Antibiotics should be only prescribed if patients are in genuine need.

Medical practitioners must exercise responsibility when prescribing antibiotics. Another area of concern is the use of antibiotics to raise animals for human food. The food industry, especially poultry and meat producers using antimicrobials/antibiotics to promote growth, or prevent disease in crowded or unsanitary conditions, must disclose this information to the public.

Council and Biosecurity Authority of Fiji, sign MOU

The Biosecurity Authority of Fiji (BAF) and Consumer Council of Fiji have signed a Memorandum of Understanding (MOU) which will enable sharing of information and cooperation between both agencies for the benefit of the Fijian consumers.

The MOU which was signed by BAF Executive Chairman Mr Xavier Riyaz Khan and Council Chief Executive Officer Ms Premila Kumar will allow both agencies to establish a basis for cooperation regarding the delivery of services in Fiji with respect to matters that are mandat- ed to each Party under their respective laws.

Ms. Kumar welcomes the signing of a MOU with BAF. She said Biosecurity is no longer an issue of interest only for farmers but also for the wider community given the problems faced by the public when crossing international bor- ders, buying imported goods and dealing with the implication of certain disease outbreaks.

It is everyone’s business to reflect on how best we can use biosecurity meas- ures to prevent and control the spread of disease.

“We look forward to working together with BAF to educate public on pertinent issues relating to biosecurity.” Ms. Ku- mar said.

BAF Executive Chairman Mr Khan said the MOU is crucial for BAF as it will provide a platform to create awareness and educate the Fijian consumers on biosecurity issues that impact them.

There are several areas that BAF would like to work with Consumer Council, one of which is to strengthen advocacy and education to the Fijian consumers on purchase of treated timber to prevent termite infestation in homes and build- ings’ Mr Khan said.

‘BAF Shop Surveillance program revealed several non-compliances such as sale of rotten imported fruits and vegetables, low quality imported meat and unhygienic storage facilities in supermar- kets. BAF would like to work closely with Consumer Council to further educate the Fijian consumers and businesses on these issue.”

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For the last 33 years, consumer organisations around the world have joined together on March 15 to mark WCRD. The event is regularly marked in more than 90 countries around the world and a wide mix of consumers, consumer organisations, government consumer agencies and international organisations take part.

Formally recognising WCRD as an International Day just as it exists for women, the environment, health, children, amongst many others, could help this important annual moment play an even more powerful role in raising awareness of consumer rights and highlighting inadequate consumer protection.

Given the historic adoption of the revised UN Guidelines for Consumer Protection that was achieved at the end of 2015, which recognized important new protections for consumers, there is now an urgent need to raise awareness of these protections for consumers around the globe. UN recognition of World Consumer Rights Day can play a crucial part in this.

At a time when Consumers International has unprecedented engagement from Consumer Protection Agencies around the world, we have an excellent opportunity to campaign for UN recognition for the most important day in the global consumer rights calendar.

Official UN recognition can help to put consumer rights on the map of even more organisations, governments, companies and media outlets. It can help to raise awareness by engaging more people in more activities, in more countries.

CI launches bid for UN recognition of WCRD

World Consumer Rights Day (WCRD), an annual celebration that unites consumers around the world, should now be recognised formally by the United Nations to further raise awareness of consumer rights, says Consumers International Director, Amanda Long.

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If you are planning to buy health insurance cover for yourself and for your loved ones then you will surely be asked to disclose all pre-existing medical conditions.

A pre-existing medical condition is a health problem that exists before you apply for a health insurance policy. And, most insurers do not cover expenses related to pre-existing conditions. You have a health insurance policy, you have paid the premium but when you fall sick and require urgent medical attention — your insurance company declines to pay for the treatment simply because you had not disclosed a pre-existing condition.

A pre-existing condition can be something as common and as serious as heart disease, high blood pressure, cancer, type 2 diabetes, and asthma — chronic health problems that affect a large portion of the population. Even if you have a relatively minor condition such as hay fever or a previous accidental injury, a health plan can still deny coverage.

In a nutshell, insurers can refuse to sell insurance will be handy when need arises. Some aggrieved consumers who have had their claims for extensive medical treatment declined by the insurers, have sought Council’s advice on a way forward.

Some of these cases reflect that consumers were not furnished with proper advice about disclosing pre-existing medical conditions; some consumers don’t know what to disclose, hence they leave out some crucial information about their medical history.

In other cases, some consumers don’t disclose all the necessary information fearing that they may not qualify for the cover.

In one case, Julie, in her 30s, requested her insurer for assessment and treatment for an acute illness, abroad but her request was declined on the basis that the client had not disclosed that she underwent in-patient treatment overseas some years back. According to the insurer, had this disclosure been made at the time the policy was bought, they would have declined the cover.

According to the insurer, the health insurance is meant to cover treatment for conditions that arise after the applicable waiting period (90 days) has passed under the policy. And, no coverage is provided under the policy for complications that arise because of existing medical conditions.

Unfortunately, Julie now has to look for financial support elsewhere. Her medical insurance cover was also cancelled. Consumers should provide all the information and let the insurer make the assessment whether to sell you the cover or not rather than wasting money and living with false “peace of mind” that insurance will be handy when need arises.

**Communication is key**

Krishna engaged the Housing Authority to provide him with insurance protection for his house. He signed up with the Authority in 2003 for insurance against cyclone and fire. The policy stated that the insurance excess for cyclone cover was $1250. Insurance excess is a contribution you are required to pay towards a claim you are required to pay on your insurance policy. An insurer may have many types of excesses that can apply in different situations or apply concurrently.

Krishna suffered damage to his property during TC Winston which prompted him to claim insurance for the repairs. When Krishna lodged an application, he was advised that the insurance excess had increased to $2000 for each claim.

Surprised, Krishna questioned why he was not informed of the change. He then lodged a complaint with the Consumer Council seeking an explanation for the increase and why he was not advised. The Council wrote to the Housing Authority seeking justification on the increase.

The Authority admitted that they failed to inform their customers on an increase in insurance excess from $1250 to $2000 therefore, customers will only pay $1250 and the balance of $750 will be paid for by them on the customer's share. The Authority admitted that they failed to inform their customers on an increase in insurance excess from $1250 to $2000 therefore, customers will only pay $1250 and the balance of $750 will be paid for by them on the customer’s share.

The Authority admitted that they failed to inform their customers on an increase in insurance excess from $1250 to $2000 therefore, customers will only pay $1250 and the balance of $750 will be paid for by them on the customer’s share.
Pricing variances against advertised specials

Misleading advertisements by Morris Hedstrom (MH) supermarkets are a common practice usually attributed to ‘mistake by staff’.

The Council has received seven such complaints against MH so far this year.

A recent complaint received by the Council involved MH not complying with its own advertised specials in the newspapers.

A complainant, who is a regular shopper at the MH Supermarket in Vael-vu, has frequently witnessed MH not charging advertised prices. He has obtained refunds many times from the supermarket and therefore always checks his receipts against the advertised specials.

The complainant filed his complaint to the Council wanting MH to be made accountable and responsible.

When the Council liaised with MH on the issue, the supermarket advised that there was an error that had caused this to happen. MH compensated the complainant with a $50 shopping voucher and gave him a refund.

While the Council appreciates the compensation given to the consumer, the Council is concerned with the recurrence of this type of errors and many that go unnoticed.

The Fiji Commerce Commission (FCC) has been notified for further action.

The Council is requesting consumers to always check their receipts against advertised specials to avoid getting overcharged.

“Misleading Notices” used during VAT reduction

The reduction of Value Added Tax (VAT) from 15% to 9% in the 2016 national budget saw one trader using a misleading notice to advertise.

Mahesh Syndicate in Suva had a notice which stated “6% discount on all items” in their store which should have read “VAT reduced by 6% on all items”.

The advertisement was amended after the Council’s intervention. The store manager was informed about the negative impacts of misleading consumers.

The market surveillance team has been looking out for any misleading advertisements to dupe consumers.

The Council successfully investigated and solved a total of ten such misleading advertisements in the first three months of the year.

NO SUBSTANDARD MATERIAL

Fijian consumers should not be subjected to substandard building material.

Hence, there is an absolute need to relook at standards to ensure quality of building material, particularly timber, is not compromised.

It is no secret that consumers have been crying foul over the poor quality of plywood and untreated timber. (The Council has received 25 complaints in relation to the timber quality in the last 4.5 years.) These complaints reflect a common problem with the plywood sold in the market. Dark spots and fungus infestation emerge after using them and in other cases timber supplied is not properly treated.

The concerned consumers have paid a significant amount of money to traders. Some have borrowed money to build/repair their houses, but only to receive down-market timber. Consumers and contractors have indicated to the Council what they view as a deterioration in quality of plywood and timber—given that houses built years back have stood firm against wear and tear, fungus and mold.

In a recent case received by the Council, a consumer from Lautoka who spent $3,200 but was supplied with substandard quality of untreated rain forest wood instead of dominu timber. The complainant was then given a runaround by the supplier to have it delivered on time. Another complainant spent $712 on plywood only to later discover that the sheets of plywood supplied were infested with fungus. In one case, a consumer saved money to change the ceiling and walls of her house but suffered financial loss after an unending ordeal with fungus infestation which grew on the timber after it was used.

The Council looks forward to a more stringent system to be introduced to monitor the quality of material supplied by the construction industry to the consumers.

Exclusionary notices, still a problem

Despite ongoing effort by the Council to educate the traders/service-providers about the illegality of using Exclusionary Notices, some just don’t care and continue to dictate terms to the consumers about getting no replacement or refund.

Consumers are left in frustration when traders show lack of responsibility and unethical business practices.

Exclusionary notices such as ‘Goods Once Sold Cannot Be Returned’ or ‘No Refunds’ continue to be a problem despite publicity and enforcement actions in the past years.

In Suva city, a notice with the terms ‘No Changing or Returning of Clothes Once Purchased’ was discovered during market surveillance at an outlet.

While the trader (China Outlet) removed the notice upon our intervention, the Council is advising traders to refrain from displaying such exclusionary notices as it is illegal.

Consumers should photograph such illegal notices and file it with the Council for us to take action.
Zero-tolerance on non-compliance of VAT Reduction

148 VAT-related Cases

The Council established a new VAT Monitoring Division to ensure that all traders and service providers complied with the new 9 per cent VAT rate effective 1 January 2016.

From January to 31 May 2016, 148 VAT related issues were attended to by the Council. Of these, 40 complaints were filed, 93 consumers sought advice while 15 cases were based on our surveys/investigations.

The Council, Fiji Revenue & Customs Authority (FRCA) and Fiji Commerce Commission (FCC) formed a joint taskforce to monitor traders/service providers who failed to comply with the new VAT reduction rate. We referred a total of 46 cases to FRCA and FCC for further investigation and action.

Some 22 traders were fined between January 2016 and March 2016 and 32 companies were under investigation for not passing the VAT reduction. We referred a total of 46 cases to FRCA and FCC for further investigation and action.

We also discovered that the major mobile phone service providers also failed to comply with the new VAT rate. Prices of Internet Data Plans and Top-Ups remained the same. In fact, Vodafone increased its VEP price on recharges and then accommodated for the new 9% VAT rate.

The Council also came across complaints against some major businesses such as Data Bureau (search result fee), Gloria Jeans, The Hot Bread Kitchen, Airports Fiji Limited (parking meter fees), Chatime Fiji Motor parts Traders, Double A Spares-Nadi, Pacific Islands Arts, Famous Pacific Shipping, and Toner Tech (Fiji) Ltd. All these complaints had documentary evidence to prove that 15% VAT had been charged hence these cases were referred to FRCA.

One important finding was that some small-time traders (mom & dad type shops in residential areas) were still charging 15 per cent VAT instead of 9 per cent on newspapers and other household products such as toilet paper, detergent and soap.

The Council also received complaints from consumers who noticed the price of previously VAT exempted items going up. For example, there was confusion over the price of tinned fish as many shoppers found the price increased after 1 January 2016. The Council reminded consumers that 9% VAT is now applied on all products which were previously exempted. And tinned fish is one such item.

Another concern raised by consumers was the increase in prices at Pizza King Ltd (Wishbone Family Restaurant). Consumers were advised that these restaurants were registered for Service Turnover Tax (STT) and Environmental Levy hence their prices increased as STT has gone up from 5 per cent to 10 per cent in 2016 and the introduction of 6 percent Environmental Levy came into effect from 2016 as well - thus these changes were reflected in the prices. Restaurants, bistros and coffee shops with a turnover above $1.25 million are registered for STT and Environmental Levy. These service providers will be charging 10% STT, 6% Environmental Levy and 9% VAT, a total of 25% in taxes to consumers.

The Council warns traders against VAT manipulation. The main priority for the Council is to ensure that all Fijians are able to save money from the 6% VAT reduction introduced by the Government.

VAT Related Concerns

<table>
<thead>
<tr>
<th>VAT related issues</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complaints</td>
<td>40</td>
</tr>
<tr>
<td>Advisories</td>
<td>93</td>
</tr>
<tr>
<td>Surveys</td>
<td>15</td>
</tr>
<tr>
<td>Total</td>
<td>148</td>
</tr>
</tbody>
</table>

Referrals

<table>
<thead>
<tr>
<th>Referrals</th>
<th>Number of Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>FCC</td>
<td>15</td>
</tr>
<tr>
<td>FRCA</td>
<td>31</td>
</tr>
<tr>
<td>Total</td>
<td>46</td>
</tr>
</tbody>
</table>

63% - Advisories | 27% - Complaints | 10% - Surveys
Resolving $1.9m Worth of Complaints in 5 Months

The Council continues to receive complaints from consumers seeking redress from unscrupulous traders and service providers. In the first five months of 2016, the Council received 101 complaints with the monetary value of $1,915,036.70.

The Council successfully resolved 465 complaints, giving back consumers $803,675.71 of their money while 20 complaints were referred to Small Claims Tribunal and 94 to other authorities such as Fiji Commerce Commission, Municipal Councils and Ministry of Health & Medical Services.

Electronic Goods (Home) has again topped the list of consumer complaints with a total of 118 complaints. Consumers continue to face problems with after sales service.

These complaints are related to the quality of these products and how consumers are given a runaround when they seek redress. Complaints range from non-availability of parts, delays in repair works, loss of items during repairs and lack of customer care are some problems faced by the consumers.

Landlord/Tenantancy complaints come second on the list with 92 complaints received from the tenants. These issues range from illegal notice to vacate the premises, increase in rent despite rental freeze, refusal to refund bond money, poor housing conditions and non-issuance of rentals receipts. The landlords have gone to the extent of disconnecting water and electricity supply to the tenants’ flats. The Council has assisted the tenants by holding mediation with both the parties and many a times, an amicable solution is reached.

Issues related to mobile product was third on the list with 84 complaints. These complaints are inclusive of mobile phones, tablets and phablets. The problems that consumers face are defective screen tablets, time taken for repairs, and sale of shoddy and counterfeit goods.

Food and drinks related complaints are placed fourth with 65 cases while online shopping drew 50 complaints.

Complaints received in the Food & Drinks category include dead insects found in the freshly served food, mouldy bread, maggots and weevils in flour, expired products and incorrect packaging.

Online shopping complaints came in large numbers after Desi Fashion House, an online boutique failed to supply goods to consumers who had already paid $13,844.00. The online boutique sells ethnic Indian wear which are the same items sold by the then, Pink Window Creations in 2013.

In the hardware category, complaints received include supply of shoddy building materials, inferior tools and machinery.

The Council saw an increase in complaints during the transition between the change in ownership of Sky Pacific to Digicel. The complaints are related to weak signal or no signal at all, outage, delayed installation despite full payment and poor customer service. In some cases, the consumers have been requested to purchase a pole to escalate the Sky dish to attain good reception whereas these consumers have been using the same dish for ages. Consumers are frustrated as they are still asked to pay their bills despite these hiccups.

Water (WAF) and Electricity (FEA) related concerns and complaints regarding the services provided by both utility companies remain a concern among the consumers. These complaints are related to estimated readings, faulty meter, incorrect billing, water supply disruptions and water pipe leakage issue, quality of customer service, lack of clarity in billing, disruptions to power supply and not receiving bills in a timely manner, water and electricity disconnection despite paying bills on time and meter tampering.

The Council is committed to handling complaints in a fair and just manner to resolve the complaints it receives to the satisfaction of the parties involved. The Complaints Division has been in the forefront in terms of mediating consumer complaints.

### Consumer Complaints Received, 01 January - 31 May 2016

<table>
<thead>
<tr>
<th>TYPES OF COMPLAINTS</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registered Cases</td>
<td>1011</td>
</tr>
<tr>
<td>Resolved Cases through Mediation</td>
<td>465</td>
</tr>
<tr>
<td>Cases Referred to Small Claims Tribunal</td>
<td>20</td>
</tr>
<tr>
<td>Cases Referred to Other Authorities</td>
<td>94</td>
</tr>
<tr>
<td>Weak Case</td>
<td>4</td>
</tr>
<tr>
<td>Cases Pending</td>
<td>428</td>
</tr>
</tbody>
</table>

### Monetary Value of Complaints, 01 January - 31 May 2016

<table>
<thead>
<tr>
<th>COMPLAINTS</th>
<th>TOTAL DOLLAR VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registered Cases</td>
<td>$1,915,036.70</td>
</tr>
<tr>
<td>Resolved Cases through Mediation</td>
<td>$803,675.71</td>
</tr>
<tr>
<td>Cases Referred to Small Claims Tribunal</td>
<td>$29,103.00</td>
</tr>
</tbody>
</table>

### Top 10 Recurring Complaints, 01 January - 31 May 2016

<table>
<thead>
<tr>
<th>No.</th>
<th>Issues</th>
<th>No. of Cases Registered</th>
<th>Percentage of top 10 Complaints Received</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Electronic Goods (Home)</td>
<td>118</td>
<td>11.67%</td>
</tr>
<tr>
<td>2</td>
<td>Landlord / Tenant</td>
<td>92</td>
<td>9.09%</td>
</tr>
<tr>
<td>3</td>
<td>Mobile products</td>
<td>84</td>
<td>8.30%</td>
</tr>
<tr>
<td>4</td>
<td>Food &amp; Drinks</td>
<td>65</td>
<td>6.42%</td>
</tr>
<tr>
<td>5</td>
<td>Online Shopping</td>
<td>50</td>
<td>4.94%</td>
</tr>
<tr>
<td>6</td>
<td>VAT</td>
<td>40</td>
<td>3.95%</td>
</tr>
<tr>
<td>7</td>
<td>Hardware</td>
<td>37</td>
<td>3.65%</td>
</tr>
<tr>
<td>8</td>
<td>Television Services</td>
<td>36</td>
<td>3.56%</td>
</tr>
<tr>
<td>9</td>
<td>Electricity - FEA</td>
<td>30</td>
<td>2.96%</td>
</tr>
<tr>
<td>10</td>
<td>WAF</td>
<td>29</td>
<td>2.86%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>581</td>
<td>57.46%</td>
</tr>
</tbody>
</table>
The Internet is now a necessity as the cyberspace has much to offer users. One can use it for shopping, banking, paying bills, education, cooking exotic meals—all with one click on the key pads.

But there is also a flip side—one has to be aware of the pitfalls and the fraudsters ready to prey on the unsuspecting.

One such example is a phishing email or a mobile phone text sent to people in a bid to swindle money. Usually, fraudsters send fake emails or set up fake websites to trick people into disclosing their username, password and other personal details.

Scams and fraudulent cases online have no age barrier and boundaries. Unfortunately, it appears that this kind of financial abuse is more prevalent among the elderly.

A glaring case among the complaints the Council has received over the years, is that of a 68-year-old retiree from Nasiru, Saula, who is tech-savvy and uses the Internet to remain in touch with his loved ones.

One day, he received an email from one Ami Modu from Dakar Senegal, with the subject—‘Calvary Greetings’.

The email read as: ‘...I wish to let you know that I would be ready to re-contribute with you again for paying USD $390 and while you should as well go ahead to remit the remaining balance amount of USD $500.000 to the Western Union account agent in London, UK or to my position over here in Dakar. I want to inform you if possible you can send your portion USD $500 directly to my secretary...’

An excited Saula thought this was his chance to get lucky, not thinking that perhaps this email was too good to be true.

The next morning, he went to town and sent $239 to the person as indicated in the email—via Western Union. He paid a $28 fee to make the money transfer through City Forex Fiji Pty Ltd. The fraudsters then advised Saula that there was another fee of USD$500 that needs to be paid, for the release of this supposed money.

Saula found this request peculiar and became anxious. He then visited the Council to seek advice on what he should do before paying another USD$500.

The content of the email sent to Saula was analysed by the Council, which concluded that Saula had fallen prey to what is known as phishing emails.

As much as this digital world brings about speedy and efficient services, there are vulnerable consumers in the marketplace who need guidance against being exposed to preying fraudsters and robbers.

Tech savvy consumers are urged to guide and advise all family members to be cautious when making online financial deals/transactions.

Tips to prevent phishing emails

Learn to Identify Suspected Phishing Emails

There are some qualities that identify an attack through an email:

- They duplicate the image of a real company.
- Copy the name of a company or an actual employee of the company.
- Include sites that are visually similar to a real business.
- Promote gifts, or the loss of an existing account.

Check the Source of Information from Incoming Mail

Your bank will never ask you to send your passwords or personal information by mail. Never respond to these questions, and if you have the slightest doubt, call your bank directly for clarification.

Never Go to Your Bank’s Website by Clicking on Links Included in Emails

Do not click on hyperlinks or links attached in the email, as it might direct you to a fraudulent website. Type in the URL directly into your browser or use bookmarks/favorites if you want to go faster.

Enhance the Security of Your Computer

Common sense and good judgement is as vital as keeping your computer protected with a good antivirus to block this type of attack. In addition, you should always have the most recent update on your operating system and web browsers.

Enter Your Sensitive Data in Secure Websites Only

In order for a site to be safe, it must begin with ‘https://’ and your browser should show an icon of a closed lock.

Periodically Check Your Accounts

It never hurts to check your bank accounts periodically to be aware of any irregularities in your online transactions.

Phishing Doesn’t Only Pertain to Online Banking

Most phishing attacks are against banks, but can also use any popular website to steal personal data such as eBay, Facebook, PayPal, etc.

Phishing Knows All Languages

Phishing knows no boundaries, and can reach you in any language. In general, they’re poorly written or translated, so this may be another indicator that something is wrong. If you never go to the Spanish website of your bank, why should your statements now be in this language?

Do Not Risk It, when in Doubt

The best way to prevent phishing is to consistently reject any email or news that asks you to provide confidential data. Delete these emails and call your bank to clarify any doubts.
Wrong Medication

Pharmacies are busy places, with a pharmacist attending to many prescriptions in a single day. Uncommon, errors can occur – causing both little or life-threatening harm.

In a case at hand, a consumer was given a wrong medication at a pharmacy. After taking his medication, he suffered from dehydration and consulted his doctor immediately. The doctor informed him that he was consuming a different medication from the one which was prescribed for him.

This consumer was supplied with ‘Lasix’ medication at the pharmacy when the prescription clearly stated ‘Lasix’.

He lodged a complaint as this incident could have caused an ugly turn in his life, had he not cared to check with his doctor. The Council approached the pharmacy regarding this case.

The pharmacist gave correct medication and $100 cash to compensate for his suffering.

Consumers are advised to double check their medication label and reconfirm with the pharmacist when medication is supplied. Consumers can get information regarding the medication at two stages. They can ask the doctor and the pharmacist what the drug is for, how they should take it and for how long, and whether there are any side-effects.

Pharmacies need to be more cautious when handing prescribed medication to consumers over the counter.

Under Section 104 of the Pharmacy Profession Decree, the Minister may prescribe by Regulations, a Code of Conduct or a Professional standard in relation to pharmacy practice.

One of the clauses reads:

‘A pharmacist should provide comprehensive and efficient pharmaceutical service including the supply of appropriate medicine, health aids and counselling and advice.’

BEST BEFORE DATES AND EXPIRY DATES

We have come across consumers who are still confused between the terms ‘Expiry date’ and ‘Best Before Dates’.

According to the Food Safety Act 2003 Section 13 (2) (c) - the label of every pre-packaged food product must contain the expiry date or other similar reference indicating its shelf-life expiry.

‘Best before’ dates relate to food quality, including taste, texture, aroma and appearance, whilst ‘use by’ or ‘expiry date’ relate to food safety.

All kinds of fridge and pantry staples have a ‘Best before’ date on the packaging. A product with a ‘Best before’ date tells a consumer how long that food will keep its flavour and nutritional value. The manufacturer’s nutritional claims may no longer apply after a ‘Best before’ date. In fact, the ‘Best before’ date has nothing to do with the safety of the food but everything to do with the taste of the food. Foods that have a ‘Best before’ date can legally be sold after that date provided the food is fit for human consumption.

Foods with a ‘Best before’ date must be properly stored according to package instructions to avoid the growth of moulds or turning sour:

USE-BY DATE or EXPIRY DATE

These dates refer to safety. Food can be eaten up to the end of this date but not after even if it looks and smells fine. Always follow the storage instructions on packs.

Expiry Date or Use by Date is the last day a product is safe to consume.

BEST BEFORE

‘Best Before’ refers to quality rather than food safety. Foods with a ‘best before’ date should be safe to eat after the ‘best before’ date, but they may no longer be at their best in quality or taste.

To conclude, products with ‘Expiry’ or ‘Use By’ dates are the last date on which the food is safe to consume, assuming it was stored correctly, while ‘Best before’ dates are not about food safety, but product quality.

Bread Kitchen in the Central division, which is popular among the Fijians. Since January 2016 to date, we have recorded seven complaints against the Hot Bread Kitchen in the Central division.

Some cases reported to us were in regards to the use of unclean baking equipment, use of bare hands in handling bread during baking and while serving customers and generally about the quality of the bread where large air gaps were found.

The Council has informed the Ministry of Health and Medical Services (Food Unit) to monitor these bakeries and take appropriate action to ensure quality of bread is not compromised.
The MHCC supermarket is one of the busiest places in the capital. It is also one of the supermarkets about which the Council constantly receives complaints, more about the service it offers to consumers.

In the latest case, a shopper at MHCC discovered a dead rat lying on a shelf among packets of Jives Assorted Snacks. The consumer alerted the Council, raising concern over hygiene standards at the supermarket.

We reminded MHCC management of the importance of maintaining a high standard of cleanliness and to avoid letting rats and other pests from breeding in the supermarket and the surrounding area as there are food courts as well in the building.

The Council also informed the Ministry of Health & Medical Services (Food Unit) and the Suva City Council, asking them to take the necessary action against traders who are negligent about hygiene standards.

**DEAD RAT**

**WHAT DID YOU ORDER?**

The Council has been receiving complaints regarding the services offered by some restaurants and food courts in the Central Division. Since January this year, we received five complaints against five different restaurants, namely, Patel Dhaba, Singh’s Curry House, Wonder Wok Restaurant, Darlinghurst Restaurant and Ashron’s Classic Restaurant.

Complainants reported that they were served worms, lizards, rat tails, flies, cockroaches, insects and mice with their meals. Many of them now fear eating out.

The Council liaised with Ministry of Health and Municipal Councils and also visited these restaurants. The restaurant owners were advised to be more cautious when washing vegetables such as lettuces and cabbages and to conduct fumigation/pest control processes to keep pests away. Food handling and preparation of meals must be carried out in a hygiene way as it concerns consumers’ health and safety.

Such complaints also reflect badly on the Restaurant Grading System introduced by the Ministry of Health.

The Food Unit at the Ministry of Health and Medical Services has been advised together with the Municipal Council to take necessary action. Regular monitoring and enforcement of the law (Food Safety Act 2003 and Regulations 2009) is greatly needed to ensure safe and quality food to consumers.

**DEAD FLY IN SAUSAGE ROLL**

Have you ever had a sausage roll which comes with a dead fly?

A consumer was upset when he found a dead fly baked together in sausage roll that she purchased from Hot Bread Kitchen located at Butt Street.

Suva City Council was notified immediately and inspections were conducted at the that bread shop, where it was discovered that all pastries are baked at their Vai Levu branch. The Nasinu Town Council conducted an inspection and found a number of anomalies.

A notice was served to the bakery to have this rectified as soon as possible.
The Council is warning tea-lovers to beware of pesticides that have been recently discovered in some of the world’s most popular tea brands including Lipton, Tetley and Twinings.

An investigation conducted by the CBC News on these teas - Lipton (Pure Green Tea and Yellow Label Black Tea), Tetley, Twining’s, Red Rose, Uncle Lee’s Legends of China (Green Tea and Jasmine Green Tea), King Cole and Signal, found that more than half of all the tea tested had pesticide residues.

Two common brands of tea - Lipton (Yellow Label Black Tea) and Twinings are widely available in the Fijian market with many consumers loving the taste of these tea. However, according to the test result, the level of pesticides were above the legally acceptable limit. Eight out of the ten tea tested also contained multiple chemicals with one brand of tea containing over 22 different types of pesticides.

Some of the pesticides discovered in the tea, including endosulfan and monocrotophos, are currently in the process of being banned by several countries due to the health risks it poses to workers that handle it and the negative impact that it has on the environment.

The Council conducted a quick market surveillance and found that the two brands are still available on the shelves in most of the supermarkets. The sole local distributor (Motibhai Group) who imports and distributes these brands of tea in Fiji should take appropriate steps to ensure consumers are not put to risk.

The Consumer Watchdog is also calling on relevant authorities such as the Ministry of Health’s Food Unit and the respective Municipal Councils to take necessary action as it concerns health and safety of those consuming these brands of tea.

An update on landlord/tenancy Issue

**Problems with your landlord?**

Always read the tenancy agreement, and keep a copy handy. That is rule No 1.

Unfortunately, not many tenants really take the time to read the fine print, until the damage has been done.

Among the details to look for - who is responsible for utility bills? If there is a yard, who is responsible for upkeep? Is there a clause for it’s pets? Are visitors allowed and by what time the main gate will close?

And, what about getting a bond refund? The tenancy-agreement needs to be very clear to guide both landlord and tenants.

Tenants should always demand for a tenancy agreement before moving in and ask for receipts each time they pay rent. Landlords should note that they are also required to provide an agreement and also keep the records (tenancy agreements and receipts) of the tenancy for three years.

As per section 56 (2) of the Commerce Commission Decree 2010, the Commission may, by notice in writing, direct any trader to keep such other records and accounts as are specified in the notice. And, as per 56 (3), no trader shall, without the consent of the commission, destroy any document whatever relating wholly or in part to any business carried on by him or to any goods or services until a period of three years has elapsed since the documents originated.

Tenants too must take responsibility to ensure they thoroughly inspect the property before moving in and paying the bond money. They must read through the clauses to understand their rights and responsibilities.

**Rent Freeze Order Extended**

Minister for Industry, Trade and Tourism, Hon. Faiyaz Koya early early this year announced an extension of the rent freeze on residential properties and ground rents until December 31, 2016.

The rent freeze has been extended to ensure fair treatment of tenants. This also ensures that Government is fulfilling its obligation of providing access to affordable housing.

According to the Rent Freeze Order, any residential increase in rent from the period March 2, 2007, and December 31, 2016, will be deemed illegal and penalties including on-spot fines ($1000 natural person or $3000 body corporate) can be imposed by the Fiji Commerce Commission (FCC).

The matter can be taken to court if the fine is not paid within 21 days.
Managing Your Credit

The Council is finding an overwhelming number of consumers coming forward to seek assistance from the Council’s Debt Management and Consumer Advisory Unit. The service has entered its fifth year, with consumers continuing to take advantage of this free service.

In the first five months of 2016, the Council successfully assisted 18 financially distressed consumers with debts totaling a monetary value of $76,273.24. The Council also provided advisories to 17 consumers on debt related issues.

The Council is concerned with the level of indebtedness among borrowers, who have multiple accounts with more than one lender. Consumers fail to understand that when taking credit, they are sacrificing future income to honour the obligations under the credit agreement.

As the duration of a credit term can be from a few months to a period of more than 20 years, it is important to consider the possible circumstances that can cause financial distress during this time. It is obvious that the longer the term of the contract, the more susceptible a debtor becomes to financial hardships.

Financial hardships can come in many ways. It could be due to the loss of employment or even an illness which requires substantial financial commitments. The Council believes that it is important for consumers to take the following into consideration before undertaking any new or additional loan:

1. Calculate your debt-to-income ratio. See whether you are in the safe zone. Do not borrow more if you have exceeded the recommended debt-to-income ratio of 40% to 60%.

2. Be honest, disclose the information being requested by the credit-provider. Especially information related to your current debts and income stream. Remember obtaining credit by overstating your income or understating your debts/expenses will only cause more financial woes.

3. Read the pre-contractual disclosures and calculate your debt-to-income ratio based on the stated repayments. That you will make if you accept the terms and conditions of the new loan offered to you.

4. Seek help if need be and remember to – READ BEFORE YOU SIGN.

The following case studies demonstrate the problems that a borrower can encounter.

Case Study 1

Living beyond your means!

Sivanjali was content with her achievements in life. She had attained good academic qualifications and had found a decent job. As the days passed by, she started loving luxury, purchasing a car that suited her family’s needs thanks to the credit facility provided by Credit Corporation (Fiji) Limited.

She obtained a further loan on her existing personal unsecured loan account with the Bank of South Pacific (BSP) to fund the expenses for her grand wedding.

Unfortunately, things did not work according to plan for Sivanjali as she encountered personal differences with her employer. Being unable to resolve those differences, Sivanjali resigned from her job believing that she would find another job soon.

To her dismay, three months lapsed and Sivanjali was still without a job. Unable to meet her loan repayments, she was faced with debt recovery action by her credit providers.

Distressed by the number of phone calls being made by her credit-providers who were threatening with repossession/legal action, Sivanjali found temporary employment for a term of less than two months.

While Sivanjali was now in a position to make her normal account repayments to both the credit-providers, she could not fork out a lump sum payment to clear her arrears.

Unable to find a way out of this predicament, she sought the Council’s assistance. Upon the Council’s intervention:

- Credit Corporation (Fiji) Limited restructured the account repayments from $350 to $230 for two months.

Case Study 2

Financial Hardship

Sam had entered into a hire purchase agreement for the purchase of a LED TV in October 2013.

Unfortunately, Sam suffered a major financial blow as he was made redundant. As he tried to find a way out of this unexpected situation, his efforts in securing formal employment were futile.

Nonetheless, his experience as a qualified plumber enabled him to undertake some private jobs that earned him sufficient income to cater for his family’s financial needs. As the private jobs had become a routine practice, Sam failed to realise the repercussions of defaulting his account repayments.

The creditor soon began to make phone calls and started sending text messages to Sam in order to remind him of his obligations to make the repayments as per the hire purchase agreement. They provided Sam with further considerations upon the bailiff’s two visitations in May and July 2015.

It was rather unfortunate that Sam grew too accustomed to this and began to take this exercise by the creditor for granted as he failed to honour any of the promises being made.

Then the inevitable was to happen – the creditor repossessed the item in October 2015. As Sam disputed the repossession, procedures applied, the creditor was found to have adhered to the mandatory processes of the Consumer Credit Act (1999).

Despite this, the creditor agreed to the Council’s proposal to provide more time to allow Sam to nominate a buyer.
‘Customer Care’ is a buzz phrase in the business world and it is widely known that the level of customer service a company provides can make all the difference in customer satisfaction.

Once you make customers feel truly special, you have built customer loyalty for life—they will keep coming back to you.

We urge businesses to make customer care the norm and we encourage consumers to appreciate such good businesses which value their customers. Below is a list of such businesses that have shown respect and care to our consumers.

Fixed Deposit Rates
Binesh, a senior citizen from Lautoka, decided to invest $150,000 in Kontiki Finance for a 2 year fixed term deposit. After discussions with Kontiki Finance about his investment, he deposited his hard earned money thinking that he would be given 7% interest. Later, Binesh found that Kontiki Finance had given him 5% interest instead of the 7% interest as per his discussions. A frustrated Binesh sought assistance of the Council as he felt cheated by Kontiki Finance. He asserted that the investment company offered him 7% and not 5% as promised. Kontiki Finance allowed Binesh to retain his fixed term deposit without any intervention. Kontiki Finance allowed Binesh to retain his fixed term deposit and he lodged a complaint with the Council. After Council’s intervention, Kontiki Finance offered him $60 as a goodwill gesture.

ATM Withdrawal Gone Wrong
Jone had used the EFTPOS machine at MH supermarket during a shopping spree and decided to withdraw $60 using his BSP ATM card. The transaction was not successful so he used another card to pay for his groceries. When Jone checked his account balance, he saw that $60 had been deducted by BSP so he lodged a complaint with the Council. After Council’s intervention, Jone got full refund of $60.

Instant Bond Refund
Mereseni bought a vehicle worth $25,000 from Sakura Cars. There were some minor touch up on the vehicle which the company agreed to complete prior to the delivery date. When taking delivery, she noticed that the touch up work wasn’t completed and while driving the vehicle, Mereseini noticed that the vehicle was malfunctioning. The reverse camera was not working despite assurance from the company that the vehicle would be in proper condition. The company also promised to paint the vehicle. Since there were numerous noticeable defects in the vehicle, Mereseini sought the Council’s assistance. We mediated and the car-dealer agreed to refund the full amount to Mereseini.

Fish Gone Foul
Timoci from Ono-i-Lau paid $70 and loaded a freezer filled with fish onto a boat servicing the Lau Group. Along the way, the ship experienced electrical faults and the refrigeration unit failed. After berthing at the Suva Wharf, they discovered that the fish had gone bad which could not longer be consumed. Timoci demanded a refund for the cost of the fish. He was denied full refund based on the argument that electrical faults are issues that could not be foreseen. Disappointed Timoci sought Council’s help and upon our engagement, South Island Shipping Services refunded the full amount to Timoci.

Instant Bond Refund
Three Canadian nationals visited Fiji for a holiday and opted to rent an apartment in Suva city for a period of one month. A total sum of $6,000 was paid of which $3,000 was for bond and the other $3,000 was for their first month’s rent. They entered into an agreement with the landlord (Comfort Home Furnishings). The landlord had engaged Jothan Realtors as the realtor and informed the tenant to directly liaise with them for any tenancy dealings. However, the three had to leave the country a week earlier, hence they requested their landlord to have the bond refunded on the very day they vacate the apartment. The landlord agreed to refund the bond but not on the same day. The three tourists sought Council’s help. We held mediation after which they received their bond refund of $3,000.

Customer is a King
Simran bought a fridge from Comfort Home Furnishings Limited for $682.10. After the item was delivered to her residence, she realized that the fridge was too small and couldn’t cater for her family’s needs. She wanted to have the item replaced with a bigger fridge and advised Comfort Home. According to the trader, they did not have a bigger fridge available. Frustrated Simran filed a complaint with the Council. The Council liaised with Comfort Home Furnishings Limited, a refund was provided to Simran after deducting the administration cost. According to Comfort Home, they value their customers and in this spirit, they agreed for a refund.

Practice good customer care service
An elderly, Jemesa, purchased a TV antenna worth $35 from Exotic Fiji Limited. After taking the item home, he wanted to use the antenna for a clearer picture on his TV. He tried to assemble the antenna himself but given his lack of expertise in that area, he couldn’t. Jemesa notified the company of his dilemma and they promised to assist him. A week lapsed but no one came to deliver the promised assistance. Hence, Jemesa sought the Council’s intervention. After Council held talks with the company, they sent a staff to assemble the antenna as promised.

Thumbs Up
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It is unfortunate that some businesses/traders do not believe in “Customer Care” or show no importance to their customers; they forget that they owe a duty of care to those giving them business. Business ethics, fair practice, responsibility and honesty should be the buzz words for all traders.

At the end of the day, all consumers deserve a fair deal in exchange for their hard earned cash and if that’s not given to them, consumers have all the right to seek redress.

Leaking water tanks
Siteri, a resident of Taveuni, was in desperate need for a water tank to deal with frequent water supply disruptions in her area. She travelled all the way to Gurbachan Singh Limited in Labasa and purchased a water tank for $2,450. After the tank was delivered, Siteri found that it was leaking. She contacted the company, requesting a replacement. No assistance was forthcoming and Siteri’s frustration grew as they continued to face water cuts. She filed a complaint with the Council. We contacted Gurbachan Singh Limited and they agreed to provide a replacement but days passed. Numerous letters and calls were made to the company yet no redress was provided. The matter was referred to the Small Claims Tribunal.

Desi Fashion House
Some old habits don’t die – as is clearly evident in the dealings of the online boutique, Desi Fashion House. The company has received money from a number of customers but failed to deliver items. Complaints were filed with the Council and our investigations showed that Desi Fashion House had the same owners as The Pink Window Creations, operating through a Facebook page. The Council called/ emailed the company but no redress was forthcoming hence, the matter was referred to Fiji Commerce Commission for legal action because the owners are repeat offenders.

Business ethics
Despite cautioning Tara’s Supermarket many times, the retail outlet continues to fail practising good business ethics. We have found issues that pose serious health risks to consumers. Dented food cans, expired and illegible labels, weevil infested lentils and rotten potatoes and onions remain a common sight in the store. Hygiene is a forgotten concern. Bread is placed right near the entrance of the shop, attracting flies; while rubbish was found lying around the store. No effort has been made by the trader to rectify these issues despite reminders during our market surveillance.

Unreliable P. Kumar Rentals Services
While visiting from Canada, Salote engaged the services of P. Kumar Rentals for her travel needs during her stay in Fiji. Little did she know that the rental vehicle, for which she paid $750, would break down during her journey from Lautoka to Suva. Salote called the car rental company but they failed to attend to the vehicle. She later incurred fuel costs of $50 just to go back to Lautoka to have the vehicle fixed. The rental company did not want to reimburse that either. Disappointed, Salote lodged a complaint with the Council. Despite holding mediation, the company refused to provide redress. The matter is now with the Small Claims Tribunal.

Shoddy products
Merewalesi purchased a new phone from Hong Yun Trading Ltd in Suva for $135. After 2 days of use, the phone started freezing. She took it back to the trader for repair which they did. However, the same issue persisted and later she could no longer receive incoming calls. Merewalesi took it back to the trader four times for repair, but they were all in vain. She sought the Council’s help and despite our intervention, the trader refused to provide redress claiming that the item was damaged by Merewalesi. This matter is before the Small Claims Tribunal. Merewalesi’s was one of three complaints against the same trader in the month of January 2016.

Melbourne Building Works Woes
Iliesa paid $25,240 to Melbourne Building Works Ltd to carry out construction works in the year 2014. The works were not completed in a timely manner so a complaint was lodged with the Council. We intervened and the trader entered into an agreement with Iliesa to complete the construction work by the year 2015 but failed to abide by the agreement. Despite numerous letters/emails sent to the company director, they have still not completed the pending construction works.

Failure to comply with new VAT Reduction
Gloria Jean’s, a coffee shop in Suva, failed to comply with the new VAT reduction. The Council received complaints on two separate occasions from consumers who were charged 15% VAT on their purchase. In addition, Hot Bread Kitchen and Chairtime in MHCC also failed to comply, thus the matter was investigated, and evidence was collected and forwarded to the Fiji Revenue & Customs Authority.
**Eviction Notice**

When a landlord gives notice he can't renew contract and vacate the tenant and renovate the flat and increase the rent, what's the Council's point of view there, can a landlord do that for the sake of money and greed. On the same note can the landlord increase the rent after the Tenant vacates the house?

*Nalini Singh*

**Council’s Response**

Landlords can give a month’s written notice to the tenant asking them to vacate the premises. The landlords can also renovate the premises and they can make a submission to Fiji Commerce Commission (FCC) for rent increase.

Landlords cannot increase rent without FCC’s approval because of the rent freeze. Any rent increase by the landlord without FCC’s intervention and approval would be deemed illegal. From 1 January 2016 to 31 December 2016, a person must not charge a rent for letting or continued letting of any premises under residential tenancy, including ground rental which was covered by the Commerce Commission Decree 2010, in excess of the rental applicable to the same premises in 2015.

FCC, as per the Commerce Commission Decree 2010 can impose penalties including on-spot fines of about $2000 against those who breach the law.

**Desi Fashion House**

The Council had received a total of 203 complaints with monetary value of $72,361. Of this, 10 complaints were resolved while the rest were referred to the Fiji Commerce Commission (FCC) for prosecution. What action has FCC taken? Find out as people are waiting for their refunds since then.

*Vinal Vinay Lal*

**Council’s Response**

Fiji Commerce Commission, took the matter to court which then resulted in out of court settlements for these cases. According to FCC, most of the customers who lodged their complaints received their refund and the matter has been withdrawn from court.

As a repeat offender, Sanjeshni Devi Kumar should be prosecuted for fraud. This is the third time she has set up companies for online business under different names to swindle money from her clients.

Desi Fashion House is in breach of Section 88 (1) (a) (i) and (b) of the Commerce Commission Decree 2010 for “Accepting Payment without Being able to Supply as Ordered”.

**Second Hand Shoes**

Second hand shoes in bargain box prices are just too high. Have a look at this worn out man’s shoes. It’s like this guys are holding up trophies in ripping of people.

*Julia Cortez, Suva*

**Council’s Response**

As a consumer, it is your responsibility to shop around and gather as much information as you can before making a purchase. In this case, if a second hand shop is selling the shoe for $55 then a smart consumer would move around to look for the same brand of shoe but new and check out the price. At the end of the day, consumers hold the power to walk away from spending on any items which may not provide value for their money. Consumers must exercise responsibility and make prudent decisions all the time. In this way, they will be able to save and invest on quality products. You won’t have to compromise on quality.

**Views on the legislation to regulate credit reporting agencies**

*Samuela Nagatalevu*

"It is hard for banks now to have control on loan processing and background check"

*Malisa Kua*

"Data Bureau was holding people back, many would have opted to travel abroad but they were put back"

*Ofa Tabalala*

"Well there is two sides of this, good side is people are now free, but it is also unfair to those who have met their bills on time"
Westpac to pay $4m in compensation

More than 100,000 Westpac New Zealand customers were overcharged when they withdrew money from Westpac ATMs while in Australia between October 2012 and August 2014. The 108,000 customers who were overcharged more than $5 will be compensated after Westpac reported its error to the Commerce Commission and Financial Markets Authority. Westpac will pay out more than $4 million - so on average, customers will receive $37 each.

Westpac had told its customers that ATM transactions in Australia would be converted into New Zealand dollars using a rate of exchange fixed by card schemes - Visa and MasterCard. But the rate it charged was higher than that fixed by the card schemes.

Westpac will not compensate 60,000 customers who were overcharged less than $5. Their overpayments total $125,000, which will be donated to the Mangere Budgeting Services Trust. Any former customers who can't be contacted or have died will have their compensation donated to the Trust.

Westpac self-reported the potential breach of the Fair Trading Act in late 2014. The commission will monitor Westpac's compensation process, but does not intend to take any further action.


Airlines’ lost luggage liability limited

The case of a couple who failed in a $15,000 claim against Air New Zealand provides a useful reminder of airlines’ obligations when luggage is lost in international travel.

Mr and Mrs Green (not their real names) travelled to England on an Air New Zealand flight. However, when the Greens arrived in UK, they found the airline had left one of their suitcases in Los Angeles. It took nine days to get the bag back.

In the meantime, Mrs. Green says the airline gave her the green light to replace the luggage on a like-for-like basis, provided she kept receipts. The Greens spent $26,000 on new belongings.

But when the couple approached Air New Zealand for compensation, it told them its liability for the lost luggage was limited to about US$2125 under the Montreal Convention. The convention sets out the maximum amount an airline has to pay if luggage is lost, damaged or delayed on an international flight.

Severely out of pocket, the Greens took Air New Zealand to the Disputes Tribunal to recover $15,000. The maximum amount the Tribunal can typically award. The Tribunal found in favour of the couple, stating the airline made a representation upon which the Greens relied to their detriment.

Air New Zealand disputed the decision. It referred the case to the High Court because it believed the matter involved important issues of principle and precedent.


Proposed Rule would allow Class Action against banks

Have you ever wanted to join a class-action suit against your bank?

A rule proposed by the United States Consumer Financial Protection Bureau in May 2016 could potentially redefine the way consumers interact with their banks and credit card companies by banning mandatory arbitration clauses that prohibit customers from filing class-action lawsuits.

Many financial institution contracts contain such clauses, which consumer advocates say deny people the right to take action in court and make it harder to stamp out corporate wrongdoing.

Arbitration clauses are generally embedded in the fine print that most customers don’t bother to read.

And over time, they have crept into contracts for everything from wireless service to nursing homes, although the Bureau’s proposed rule would be limited to a relative handful of banking, lending and debt-collection activities.

Consumer advocates have said for years that these clauses take away consumers’ rights by preventing class-action lawsuits and letting companies evade consequences for wrongdoing.

The proposed rule would prohibit financial services companies from including mandatory arbitration clauses that forbid class-action suits against them, and would require information to be collected on arbitration undertaken by those companies. People and organizations will have 180 days from when the rule is entered into the Federal Register to comment on it.

http://www.nbcnews.com/business/consumer/proposed-rule-would-allow-class-action-suits-against-banks-n568931
MEDIATION, THE WAY FORWARD

With the support of the European Union and in conjunction with the Judicial Department, the Council held a stakeholders’ seminar on 26 May 2016 at the Suva Holiday Inn. The purpose of the seminar was to make traders and service providers aware of the added value of Mediation – a form of Alternative Dispute Resolution (ADR) which can be a vital tool for maintaining business reputation and for fostering and preserving good customer relations.

Right to redress is one of the most fundamental consumer rights. Consumers are always looking for an outlet where they can voice dissatisfaction so that a resolution is reached and the complaint is settled in a speedy and cost effective manner.

Consumers who could not afford to seek redress through the courts can now access justice in an inexpensive and speedy manner through Fiji Mediation Centre (FMC). However, the success of FMC will rely on public and businesses being aware of its existence and procedures involved.

With the setting up of Fiji Mediation Centre, it is now obvious that the Fiji Government is trying to improve the capacity of consumers and businesses to seek redress on their own.

FMC has a fixed fee schedule. Mediators’ fees will be based on scheduled rates. The fees shall be shared by the parties.

The Council is indebted to its donor partner, the European Union for their support in promoting consumer rights in Fiji. Without the EU’s financial assistance, creating public awareness on mediation and FMC’s role would not have been possible.

EU DAY IN PICTURES

The European Union (EU) held a three-day exhibition at the Saint Joseph’s Secondary School in May as part of the Europe Day celebrations to showcase its engagement with the Pacific region.

Opening the exhibition, EU ambassador to Fiji and the Pacific, Andrew Jacobs said the celebration would provide the perfect opportunity for the general public to learn about the EU and its work in the Pacific.

“The exhibition also provides a chance for young people to meet the EU’s development partners and to get an idea of what areas of work might interest them after they graduate from the school system’ Mr. Jacobs said.

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