White Paper on Consumer Affairs
2013 Summary
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2013

[Summary]

Consumer Affairs Agency,
Government of Japan
Introduction to the Consumer Affairs Agency and the White Paper on Consumer Affairs

The Japanese government established the Consumer Affairs Agency in September 2009 to integrate together operations for consumer administration conducted at different ministries. As the government’s “control tower” for consumer administration, the Agency carries out consumer administration by performing two primary functions: sharing information and working with related ministries and, if necessary, urging the officials concerned to take necessary actions (planning and coordination function); and enforcing laws in the fields of labeling, trading and safety that fall under its jurisdiction by taking actions such as punishing dishonest businesses and alerting consumers (enforcement function).

This “White Paper on Consumer Affairs” is the first statutory white paper issued under the Basic Consumer Act revised in August 2012. It is intended to comprehensively and systematically summarize the implementation of consumer policies since the establishment of the Consumer Affairs Agency, especially in FY 2012, and to report recent trends in consumer issues based on data on accidents and consultations, as well as consumer surveys. The present edition includes features on consumer accidents and problems involving the elderly, which are growing as the Japanese population ages at a fast pace. It also highlights consumer issues in connection with the Great East Japan Earthquake and the nuclear accident in 2011, which still seriously affect the Japanese society. This document is written plainly and provides many columns on associated topics so that as many consumers as possible will find it readable.
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Aging society: Population aging rate on the rise

As people grow older, their physical abilities decline and their judgment weakens, making them more likely to get involved in consumer problems. The Japanese society is steadily aging, with the population aging rate having increased from 5.7% in 1960 to 23.0% in 2010 and expected to rise further to 39.9% by 2060.

(Notes) 1. Data from the National Institute of Population and Social Security Research, "Population Projections for Japan" (January 2012).
2. Data in and after 2010 are medium variant projections.
Growing use of IT: Accelerating increase in online transactions

Monthly household spending via the Internet was approximately ¥4,600 on average in 2012, four times as large as the amount a decade before. The growth has been driven by the wider use of information and communications tools, such as the Internet, personal computers and mobile telephones.

Figure 1-1-9  Household spending via the Internet is increasing

(Notes) 1. Data from the Ministry of Internal Affairs and Communications, “Survey of Household Economy.”
2. Monthly spending per household for each year among all types of households.
Primary focus in choosing products/services is price and function

About 90% of consumers said they were “often aware” of “price” and “function” when choosing products/services. About 80% indicated the same level of awareness as to “safety” as well.

In contrast, those “often aware” of “corporate policy/philosophy or social contribution activities” accounted for only about 20%, with a greater proportion of the respondents “less aware” of this aspect.

(Notes)
2. Answers to the question, “How often are you aware of the following aspects when choosing a product/service?”

1: Sum of the answers “Constantly aware” and “Often aware.”
2: Sum of the answers “Occasionally aware” and “Rarely or never aware.”
Section 2  Consumers’ behavior and attitude (2)

About 70% of consumers are likely to look at and check the product before buying

In describing their consumption behavior, more than 70% of consumers said they “check the actual product before buying.” About 60% of them also said they “choose better quality goods even if prices are somewhat higher” and “carefully examine function, quality, price, etc. before purchase.” These figures show that a large part of consumers are careful when making purchases.

Figure 1-2-3  About 70% of consumers check the actual product before buying

(N=6,690)

Check the actual product before buying

<table>
<thead>
<tr>
<th></th>
<th>Very much apply</th>
<th>Somewhat apply</th>
<th>Can’t say either way</th>
<th>Not much apply</th>
<th>Hardly or not at all apply</th>
<th>No answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>N=6,690</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Often purchase from the same store/business repeatedly</td>
<td>59.6</td>
<td>28.9</td>
<td>10.4</td>
<td>0.4</td>
<td>0.6</td>
<td>0.4</td>
</tr>
<tr>
<td>Choose better quality goods even if prices are somewhat higher</td>
<td>46.6</td>
<td>34.1</td>
<td>17.1</td>
<td>0.4</td>
<td>0.6</td>
<td>0.4</td>
</tr>
<tr>
<td>Carefully examine function, quality, price, etc. before purchase</td>
<td>37.9</td>
<td>40.9</td>
<td>20.9</td>
<td>0.4</td>
<td>0.6</td>
<td>0.4</td>
</tr>
<tr>
<td>Love shopping</td>
<td>26.0</td>
<td>37.2</td>
<td>26.3</td>
<td>0.4</td>
<td>0.6</td>
<td>0.4</td>
</tr>
<tr>
<td>Tend to buy the same product/brand repeatedly</td>
<td>26.4</td>
<td>26.6</td>
<td>39.6</td>
<td>0.6</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Love new things</td>
<td>31.2</td>
<td>48.6</td>
<td>20.8</td>
<td>0.4</td>
<td>0.6</td>
<td>0.4</td>
</tr>
<tr>
<td>Make impulse buys</td>
<td>43.6</td>
<td>30.0</td>
<td>26.0</td>
<td>0.4</td>
<td>0.6</td>
<td>0.4</td>
</tr>
<tr>
<td>Unlikely to decline when strongly recommended</td>
<td>35.0</td>
<td>29.5</td>
<td>35.0</td>
<td>0.4</td>
<td>0.6</td>
<td>0.4</td>
</tr>
</tbody>
</table>

2. Answers to the question, “How well do the following descriptions apply to your consumption behavior?”

Figure 1-2-4  More than twice as many consumers in their twenties love new things than those in their seventies

(N=6,690)

2. Answers to the question, “How well do the following descriptions apply to your consumption behavior?” (by age group).
Many consumers closely examine labels and directions when choosing products

More than 60% of consumers answered they “closely examine labels and directions to fully understand the nature of goods/services before making a choice,” whereas consumers making themselves “ready to respond to potential problem” were limited, accounting for slightly less than 30%.
Online stores second only to offline stores as a place to shop

In the past year, 45.4% of consumers have shopped online, and 37.2% purchased via catalogs. More women said they purchased via catalogs than men. The percentage of those who said they had shopped online was smaller among the elderly than in other generations.

Figure 1-2-7 Nearly half the consumers have shopped online in the past year
(N=6,690)

By gender

*At least 3 times/wk* | *1-2 times/wk* | *1-2 times/month* | *1-2 times/3 months* | *1-2 times/yr* | *Never* | *No answer*
---|---|---|---|---|---|---
Offline stores | | | | | | |
Online stores | | | | | | |
Catalogs | | | | | | |
Mail-order firms via ads, flyers, direct mail, etc. | | | | | | |
TV shopping channels | | | | | | |
Acquaintances | | | | | | |
Door-to-door salespeople | | | | | | |
Telemarketers (soliciting calls from businesses) | | | | | | |

(N=6,690)

2. Answers to the question, “How often have you purchased via the following channels in the past year on average?”

Figure 1-2-8 The elderly shop online less often than other generations

By gender

<table>
<thead>
<tr>
<th>Percentage of those who purchased in the past year (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age group</td>
</tr>
<tr>
<td>Online stores</td>
</tr>
</tbody>
</table>

(N=6,690)

2. Answers to the question, “How often have you purchased via the following channels in the past year on average?”
Anxiety about money: Elderly people have much money in savings but earn less

The elderly are said to worry about three things in general: money, loneliness and health.

The average household savings in 2012 were largest for households with their heads in their sixties, at ¥22.49 million, and the amount was smaller for age groups before and after that peak. The annual household income was highest for households with their heads in their fifties, at ¥8.16 million, and the amount was smaller before and after that peak. Debts peaked for household with their heads in their forties, ¥9.78 million, and were lower for younger and older generations.
Section 1  Socioeconomic situation of the elderly (2)

Anxiety about loneliness: Single men and older people living in large cities are more likely to have no one to rely on when in trouble

Among elderly men living alone, 20% said they had no one to rely on when in trouble. The breakdown of the elderly by size of the city of residence shows that 5.0% of those living in large cities had no one to rely on when in trouble. These results indicate single elderly males and older people living in urban areas are more likely to be left in trouble alone.

Figure 2-1-7  Elderly men living alone are more likely to have no one to rely on when in trouble

Figure 2-1-8  Elderly people living in large cities are more likely to have no one to rely on when in trouble
Anxiety about health: Elderly people put priority on expenditures on wellness and medical/nursing care

A survey on elderly people’s consumption behavior indicates that 42.8% put priority on “expenditures on wellness and medical/nursing care” when spending money. This suggests that the elderly are highly conscious of health in consumption behavior.

Figure 2-1-9  Elderly people put priority on health-related spending

2. Answers to the question, “What do you and your spouse (or just you) want to put priority on when spending money? Choose three from the following options.”
3. Although the survey covered men and women aged 55 years and over across the country, the data above refer only to those aged 60 years and over.
The number of consumer affairs consultations for the elderly is growing faster than the elderly population

The total number of consumer affairs consultations provided at local consumer affairs centers across Japan has been declining recently, with a 20.4% fall from the FY 2007 level recorded in FY 2012. The breakdown of the figure by the age group of consumers shows that consultations for those under 65 years old have followed a similar trend. However, consultations for the elderly indicated an opposite trend, increasing 34.7% in FY 2012 from the FY 2007 level, which translates into growth faster than the growth of elderly population.

(Special note) PIO-NET
PIO-NET (Practical Living Information Online Network System) is a system to gather information on consumer life consultations offered to consumers by the local consumer affairs centers. It connects the National Consumer Affairs Center of Japan with local consumer affairs centers across Japan.
Elderly people were harmed most often by cosmetics (goods) and healthcare (service)

Among FY 2012 consumer affairs consultations involving elderly people being harmed, “cosmetics” topped the list of goods that caused physical damage, and “healthcare” the list of services that caused physical damage.

A phenomenon particular to the elderly is that nursing-care bed rails have continued to cause fatal and serious injury accidents over the past few years, with many cases leading to death.
Telemarketing sales showed a notable increase as the source of problem for the elderly

In FY 2003, 43.5% of consumer problems encountered by elderly people involved “door-to-door sales.” The figure declined to 19.0% in FY 2012. In contrast, the proportion of “telemarketing sales” grew to 19.5% in FY 2012 from 8.0% in FY 2003.
Elderly people’s consumer consultation cases involved an increasing amount of money on average

The average contract/purchase value reported in complaints from elderly people was approximately ¥2.10 million in FY 2012, almost double the amount in FY 2003 (approximately ¥1.06 million). The average amount paid followed a similar trend, showing that payments made by elderly consumers involved in problems has been increasing in the medium to long term.

Figure 2-2-14 Elderly people’s consultation cases involve more money on average than those 10 years ago

2. The data exclude consultations to which No answer (No input) has been given.
Financial products reported by elderly consumers concentrated on specific items for specific periods

Investment products have been the leading cause of consumer problems faced by elderly people recently. Consultations on “derivatives” peaked in the July-September period of 2010; those on “prelisted shares” in the January-March period of 2011; those on “corporate bonds (contracts with non-financial institutions)” in the July-September period the same year; and those on “fund-type investment products” in the October-December period the same year. Apparently, different products emerge and spread one after another.

Figure 2-2-18 Consultations on financial products for elderly people tend to concentrate on specific products for specific periods

(Notes) 1. Cases involving contracting parties aged 65 years and over in consumer affairs consultation information registered with PIO-NET (registration by April 30, 2013).
2. “Fund-type investment products” exclude cases associated with the Agura Bokujo cattle ranch.
3. “Fund-type investment products” and “derivatives” are new categories added in FY 2009 as a result of revision to the keywords. Therefore, these items do not exist in data for FY 2008 and before.
More elderly consumers were subjected to "secondary damage"

"Secondary damage" refers to damage from fraudulent schemes targeting victims of past consumer frauds. These victims are approached by people who pretend to help them solve problems with previously contracted products/services, saying, “we can cancel them for you,” or “we will recover your losses,” and eventually get swindled. The number of consultations on such schemes had been declining until FY 2009, but increased thereafter, reaching almost 19,000 cases in FY 2011 and nearly 16,000 cases in FY 2012.

Figure 2-2-20 The number of elderly people subjected to "secondary damage" has been on the rise since FY 2010

Figure 2-2-21 Average payments made by elderly people in "secondary damage" cases have increased notably since FY 2010
Problems involving negative-option marketing of health food have soared

The number of consultations for the elderly on the negative-option marketing of health foods sharply increased in FY 2012. As a result, consultations on such issues totaled almost 14,000 cases in the year, of which elderly people accounted for about 80%.

Figure 2-2-27: In FY 2012, elderly people’s consumer affairs consultations on negative-option marketing of health food increased 5.6-fold from the previous year.
Consumer problems associated with so-called “shukatsu” are expected to increase further

As families become smaller, a greater number of elderly people are engaged in so-called “shukatsu” (activities toward the end of life), in which they prepare for death by making necessary arrangements, such as the funeral, grave and inheritance, while they are alive. This has resulted in associated consumer problems. For example, the number of consultations on funerals has been rising over these years, reaching almost 700 cases in FY 2012.

Figure 2-2-28 More elderly consumers are consulting about funerals

2. “Cancellation” refers to cases concerning “cancellation,” “cancellation fees,” “refunds,” and “the cooling off system.”
When elderly consumers are victims, people around them tend to seek consultation for them

Among consumer affairs consultations provided for people in their thirties to sixties, slightly less than 90% were asked for by the person involved in problem. However, the equivalent figure was smaller for other generations, at a little more than 70% for consumers in their twenties and seventies and only just below 30% for consumers in their teens and nineties. This indicates that when the victim is underage or very old, people around him/her tend to seek consultation.

### Figure 2-3-1
When elderly people or minors are victims, people around them tend to ask for consultation instead of them

(Notes) FY 2012 consumer affairs consultation information registered with PIO-NET (registration by April 30, 2013.)
Elderly people in trouble need help from someone close

People who said they knew someone old and close to themselves that had been affected by consumer problems in the past year accounted for 2.2% of the total respondents in a consumer survey. When asked who had mainly handled that problem, only 30% said the person involved had, suggesting that older people in trouble need support from someone close.

Figure 2-3-2 Among consumer problems affecting elderly people, only 30% were handled by the very person involved

Any elderly person close to you involved in consumer problem in the past year?

- Yes: 2.2%
- No: 97.4%

Responded mainly by

- Person involved: 31.1%
- Other people around the person involved: 28.4%
- Yourself: 18.9%
- Others: 4.1%
- Do not know: 4.7%
- No answer: 0.7%
- No one else could: 12.2%

Actions taken

- Directly negotiated with the other party (manufacturer, retailer, agent, etc.): 49.1%
- Consulted police: 13.8%
- Consulted public consultation office (e.g., local government, Consumer Affairs Center): 13.8%
- Consulted expert (consumer group, lawyer, judicial scrivener, etc.) not public consultation office or police: 1.7%
- Do not know: 19.0%
- Others: 10.3%
- No answer: 0.9%

(Notes)
2. Answers to the question, “Do you know any elderly person close to you who has been involved in a consumer problem in the past year? (Circle one.)”
3. Answers to the question “Who handled that consumer problem for the most part? If there were two or more of such cases, please answer about the most serious problem for the closest person to you. (Circle one.)” The question was asked to those who answered “Yes” to the question in 2. (above center)
4. Answers to the question, "What kind of action was taken specifically? (Circle all that apply.)" The question was asked to those who chose the “person involved,” “yourself” or “other people around the person involved” to the question in 3. (above right)
Local consumer affairs centers are recognized by a large majority of the elderly but what they do is less known and trusted.

As much as 76.8% of elderly people recognized local consumer affairs centers, including those knowing them by name or by name and service. However, the percentage of those trusting the centers was only 13.1%. The degree of recognition was divided into several levels, including those who knew the name (62.4%) and those who knew the name, service and/or the local location and contact (36.1%).

**Figure 2-3-3** More than 70% of elderly people recognize local consumer affairs centers

Recognition of local consumer affairs centers (N=1,768)

- Know: 63.7%
- Do not know: 22.0%
- No answer: 1.2%

Degree of recognition of local consumer affairs centers (N=1,358)

- Know the name: 62.4%
- Know the name and service: 24.2%
- Know the name, service, and location and contact of the local (prefectural/municipal) center: 11.9%
- No answer: 1.6%

Way to find out about local consumer affairs centers (N=1,358)

- Local newsletter or flyer: 29.6%
- Newspaper/magazine/book: 28.7%
- Radio/ TV: 18.8%
- Internet: 10.5%
- Announcement/poster at public facilities, train station, etc.: 6.8%
- Information given by family member or acquaintance: 4.8%
- Class at school: 3.8%
- Introduction by lawyer, consultant, etc.: 3.2%
- Do not remember how: 1.3%
- Others: 0.4%

(Notes)
2. Answers to the question, "Do you trust or know the following institutions and consultation offices (local consumer affairs center)" (above left).
3. Answers to additional question 1, "Which of the following most appropriately describes the degree of your knowledge of local consumer affairs centers? (Circle one)."
4. Answers to additional question 2, "How did you find out about the local consumer affairs center? (Circle one)." The question was asked to those who answered they "trust" or "know" to the question in 2. (above, upper right).
5. The data here refer only to respondents aged 65 years and over.
The number of consumer accidents reported under the Consumer Safety Act has declined, but that of serious accidents has not.

Since the establishment in September 2009, the Consumer Affairs Agency has received information on consumer accidents and other incidents from relevant administrative organizations and local governments under the Consumer Safety Act and other relevant laws. The collected information has been organized and analyzed.

In FY 2012, the Consumer Affairs Agency was informed of 12,729 consumer accidents and incidents (down 15.8% from 15,117 cases in the previous year) under the Consumer Safety Act. These consisted of 2,813 cases of “life or health-related accidents” (down 2.6% from 2,889 cases in the previous year) and 9,916 property-related cases (down 18.9% from 12,228 cases in the previous year).

Figure 3-1-1 A total of 12,729 consumer accidents were reported to the Consumer Affairs Agency in FY 2012
Consumer consultation cases handled at local consumer affairs centers have been declining

The local consumer affairs centers across Japan received requests for consultation on consumption-related issues from consumers and register the collected consumer affairs consultation information with PIO-NET. The number of registered cases peaked at approximately 1.92 million in FY 2004 and has been declining since then, reaching approximately 0.84 million in FY 2012.

Figure 3-1-2 Registration of consumer affairs consultation cases with PIO-NET has been declining since its peak in FY 2004

Figure 3-1-7 About 26% of consumers are dissatisfied with products/services


Figure 3-1-7

2. Answers to the question, "Have you felt dissatisfied with, or experienced health or financial damage from, any product or service you purchased in the past year? (Circle one)."
About 30% of victims did not seek consultation

People who have experienced health or financial damage in the past year were asked whether they had consulted or told anyone about the damage. The largest proportion of them said they “consulted or told no one” (30.7%), followed by those having consulted “someone close (family member, friend, colleague, etc.)” (29.7%).

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**Figure 3-1-8** About 30% of victims did not consult or tell anyone about their damage

<table>
<thead>
<tr>
<th>Total</th>
<th>Breakdown by gender</th>
</tr>
</thead>
<tbody>
<tr>
<td>No answer</td>
<td>20.8%</td>
</tr>
<tr>
<td>Consulted or told no one</td>
<td>30.7%</td>
</tr>
<tr>
<td>Consumer group</td>
<td>9.7%</td>
</tr>
<tr>
<td>Manufacturer or provider of the product/service</td>
<td>6.5%</td>
</tr>
<tr>
<td>Distributor or solicitor of the product/service</td>
<td>9.7%</td>
</tr>
<tr>
<td>Public (municipal) consumer consultation office</td>
<td>9.7%</td>
</tr>
<tr>
<td>Police</td>
<td>3.0%</td>
</tr>
<tr>
<td>Lawyer or judicial scrivener</td>
<td>6.5%</td>
</tr>
<tr>
<td>Other entity</td>
<td>6.5%</td>
</tr>
</tbody>
</table>

(N=101)

2. Answers to the question, “Which of the following is the closest to your reason for not having consulted/told anyone? (Circle all that apply.)” The question was asked to those who answered they had experienced health or financial damage.

**Figure 3-1-10** Slightly less than 40% of those who did not consult anyone say they thought it would be no use

<table>
<thead>
<tr>
<th>(N=31)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thought it would be no use consulting anyone</td>
</tr>
<tr>
<td>Thought I was to blame, too</td>
</tr>
<tr>
<td>Damage was not serious enough</td>
</tr>
<tr>
<td>Did not know the right person to consult</td>
</tr>
<tr>
<td>Tried to resolve the trouble by myself without seeking advice</td>
</tr>
<tr>
<td>Did not know where to consult</td>
</tr>
<tr>
<td>Too ashamed to tell anyone</td>
</tr>
<tr>
<td>Other reasons</td>
</tr>
<tr>
<td>No specific reason</td>
</tr>
</tbody>
</table>

2. Answers to the question, “Which of the following is the closest to your reason for not having consulted/told anyone? (Circle all that apply.)” The question was asked to those who said they had not consulted or told anyone.
About 10% of those who have ever purchased via cross-border trade experienced problem.

When asked whether they had purchased any product/service from an overseas business in the past year, 3.8% of consumers said “purchased products/services overseas while visiting there,” and 4.6% said they “purchased products/services via online shopping sites etc., while staying in Japan.” Almost 10% of these consumers experienced damage or problem.

<table>
<thead>
<tr>
<th>Experience of cross-border trade</th>
<th>Experience of damage/problem</th>
<th>Consultation on damage in cross-border trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchased products/service while visiting there</td>
<td>Product turned out to be a counterfeit</td>
<td>Someone close (family member, friend, colleague, etc.)</td>
</tr>
<tr>
<td>Not received ordered goods</td>
<td>Charged inappropriately (e.g., double-charged on credit card)</td>
<td>Consumer Affairs Agency’s Cross-Border Consumer Center Japan (CCJ)</td>
</tr>
<tr>
<td>Did not receive ordered goods</td>
<td>Return</td>
<td>Public (municipal) consumer consultation office (excluding CCJ)</td>
</tr>
<tr>
<td>Product turned out to be a counterfeit</td>
<td>Never experienced damage/problem</td>
<td>Manufacturer or provider of the product/service</td>
</tr>
<tr>
<td>Could not return the product</td>
<td>Experienced damage/problem (total: 11.1%)</td>
<td>Distributor or solicitor of the product/service</td>
</tr>
<tr>
<td>Damaged or defective (e.g., in transit)</td>
<td>2.2</td>
<td>Manufacturer or provider of the product/service</td>
</tr>
<tr>
<td>Others</td>
<td>3.8</td>
<td>Public (municipal) consumer consultation office (excluding CCJ)</td>
</tr>
<tr>
<td>Others</td>
<td>0.2</td>
<td>Consumer group</td>
</tr>
<tr>
<td>Others</td>
<td>0.8</td>
<td>Consumer Affairs Agency’s Cross-Border Consumer Center Japan (CCJ)</td>
</tr>
<tr>
<td>Others</td>
<td>4.6</td>
<td>Other entities</td>
</tr>
<tr>
<td>Others</td>
<td>88.1</td>
<td>Consulted or told no one</td>
</tr>
</tbody>
</table>

Figure 3-1-11 About 10% of those who have ever purchased via cross-border trade experienced problem

Figure 3-1-12 Cases involving “goods not delivered” and “receiving of counterfeit goods” account for almost 60% of all consultations on problems associated with cross-border trade

- **Cases**
  - Supplements: 31 (1.3%)
  - Household appliances: 25 (1.0%)
  - Educational material: 9 (0.4%)
  - Hobby goods: 367 (14.8%)
  - Software: 97 (3.9%)
  - Clothing: 310 (12.5%)
  - Shoes: 359 (14.5%)
  - Sundries: 774 (31.3%)
  - Services: 194 (7.8%)
  - Transport services: 3 (0.1%)
  - Airline tickets: 18 (0.7%)
  - Hotels: 61 (2.5%)
  - Others: 226 (9.1%)
  - Total: 2,474 (100.0%)

- **Breakdown by product/service purchased**
- **Breakdown by type of trouble**
- **Breakdown by country/region (top five)**

2. Cases accepted by the Consumer Affairs Agency’s Cross-Border Consumer Center Japan (CCJ) in FY 2012.
3. “Sundries” include cosmetics, bags, wallets, etc.
4. “Hobby goods” include specialty goods not available in Japan, such as toys, models, musical instruments and auto parts.
Information on accidents related to life and health is collected by the Consumer Affairs Agency through various channels.

When a serious consumer accident, such as a fatal accident, occurs, it is essential to prevent the spread of damage and the recurrence of identical/similar accidents. The Consumer Safety Act addresses this by relevant administrative organizations and local governments that have been informed of the occurrence of serious accidents to immediately report to the Consumer Affairs Agency. They must also report to the Agency consumer accidents that are not serious but suggest the possibility of the spread of damage and the recurrence of identical/similar consumer accidents.

Figure 3–2–1 Collection of information on accidents related to life and health

<table>
<thead>
<tr>
<th>Occurrence of life/health-related accidents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Related ministries &amp; local governments</td>
</tr>
<tr>
<td>Report serious accidents 1,322 cases</td>
</tr>
<tr>
<td>Report life/health-related accidents (non-serious) 1,491 cases</td>
</tr>
<tr>
<td>Businesses</td>
</tr>
<tr>
<td>POI-NET data 14,407 cases</td>
</tr>
<tr>
<td>Report serious product accidents 1,077 cases</td>
</tr>
<tr>
<td>Reports from Accident Information Databank member institutions 13,473 cases</td>
</tr>
<tr>
<td>Local consumer affairs centers</td>
</tr>
<tr>
<td>Register accidents related to life/health</td>
</tr>
<tr>
<td>Register consultations related to life/health</td>
</tr>
<tr>
<td>Register serious product accidents reported</td>
</tr>
</tbody>
</table>

Accident Information Databank
Cumulative total as of 2013 March 31: 82,513 cases*
(Registration in FY 2012: 25,457 cases)

*The number of life and health-related accidents (including serious accidents) and the number of serious product accidents indicated above are totals of cases reported in FY 2012, while POI-NET data refers to the total consultation cases accepted in FY 2012 and registered with POI-NET by April 30, 2013. Therefore, the cumulative and registration figures do not equal the sum of different categories because of duplicate cases included in reports from multiple institutions and a certain time lag before registration with the Accident Information Databank.

(Special note) Serious accidents
The Consumer Safety Act requires that the head of an administrative organ who has been informed of the occurrence of those accidents affecting life or health (“life or health-related accidents”) that are fatal or otherwise serious (“serious accidents”), immediately report them to the Consumer Affairs Agency. The Consumer Affairs Agency publishes a summary of the reported serious accidents on a weekly basis and shares the information with relevant administrative organizations.
Section 2  Consumer accidents related to life and health (2)

Reports of “life or health-related accidents” under the Consumer Safety Act declined only modestly

Consumer accidents, etc. reported to the Consumer Affairs Agency in FY 2012 under the Consumer Safety Act included 2,813 “life or health-related accidents,” down 2.6% from 2,889 in the previous year. Among them there were 1,322 “serious accident,” down 4.9% from 1,390 in the previous year. The breakdown by type of accident shows that “fire” was most common, with 1,038 cases reported (down 4.7% from 1,089 in the previous year), followed by “fall, toppling, instability” with 115 reports (up 55.4% from 74 in the previous year).

Figure 3-2-2  Fire accounted for about 80% of serious accidents reported in FY 2012

Figure 3-2-3  Poisoning accounted for almost half of non-serious accidents affecting life or health in FY 2012

2. The number of serious accidents reported to the Consumer Affairs Agency under the Consumer Safety Act between the Agency’s establishment in September 2009 and March 31, 2013.
Section 2  Consumer accidents related to life and health (3)

PIO-NET registered 14,407 cases of damage and risk

Consumer affairs consultations registered with PIO-NET in FY 2012 included 14,407 cases involving life or health-related damage and risk. Among these, cases classified as “damage information” were about 1.8 times more than the number in FY 2004.

(Special note) Damage information
Consultations on damage that has affected the life or health of individuals.

(Special note) Risk information
Consultations on incidents that have yet to inflict damage but have the potential to do so.
Chapter 3  Trends in consumer issues  
Section 3  Property-related consumer problems (1)  

Consumer accidents reported under the Consumer Safety Act included a fewer number of property-related cases

Consumer accidents reported to the Consumer Affairs Agency in FY 2012 under the Consumer Safety Act included 9,916 property-related cases, down 18.9% from 12,228 in the previous year. In particular, “financial & insurance services” and “transport & communications services” indicated a notable decrease. The breakdown of property-related cases reported in FY 2012 by goods/service type shows that services accounted for a larger part (52.2%) of the total than goods (42.4%).

Figure 3-3-1  The number of property-related cases declined 20% from a year earlier

Figure 3-3-2  Services account for a larger part of property-related cases than products

2. The number of property-related cases among consumer accidents reported to the Consumer Affairs Agency in FY 2012 under the Consumer Safety Act.
3. “Other goods” refer to Goods in general, Health & sanitary goods, and Other goods.
4. “Other services” refer to Dry cleaning, Rental, lease & lending, Work, Construction & processing, Repair & maintenance, Management & storage, Services in general, Educational services, Other services, Piecwork, side work & pyramid schemes, and Other administrative services.
Consultations on “transport & communications services” are increasing; Consultations on “financial & insurance services” are decreasing.

The breakdown of consumer affairs consultations by type of goods/service shows that, among goods, the leading topic was “educational & leisure goods” (e.g., books and other printed matter), accounting for 7.8%, followed by “foodstuffs” (e.g., health food), accounting for 5.8%. Among services, “transport & communications services” (e.g., broadcasting, content) accounted for the largest proportion at 24.7%, followed by “financial & insurance services” (e.g., money lending services), accounting for 13.3%. While the share of “transport & communications services” has been increasing, that of “financial & insurance services” has been declining.

**Figure 3-3-3** Transport & communications services account for a growing part of total consultations

<table>
<thead>
<tr>
<th>Year</th>
<th>Educational and leisure goods</th>
<th>Foodstuffs</th>
<th>Household goods</th>
<th>Other goods</th>
<th>Land, buildings &amp; facilities</th>
<th>Financial &amp; insurance services</th>
<th>Repair &amp; maintenance</th>
<th>Other services</th>
<th>Other administrative services</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>7.9</td>
<td>4.4</td>
<td>3.8</td>
<td>11.3</td>
<td>21.2</td>
<td>6.3</td>
<td>3.6</td>
<td>11.1</td>
<td>2.3</td>
</tr>
<tr>
<td>2010</td>
<td>8.1</td>
<td>4.3</td>
<td>3.9</td>
<td>9.3</td>
<td>22.5</td>
<td>5.9</td>
<td>3.8</td>
<td>11.2</td>
<td>2.4</td>
</tr>
<tr>
<td>2011</td>
<td>7.9</td>
<td>3.9</td>
<td>3.7</td>
<td>9.2</td>
<td>24.5</td>
<td>5.8</td>
<td>3.4</td>
<td>11.9</td>
<td>2.5</td>
</tr>
<tr>
<td>2012</td>
<td>7.8</td>
<td>3.9</td>
<td>3.6</td>
<td>9.5</td>
<td>24.7</td>
<td>5.7</td>
<td>3.8</td>
<td>11.9</td>
<td>2.7</td>
</tr>
</tbody>
</table>

2. “Other goods” refer to Goods in general, Utility-related goods, Health & sanitary goods, Vehicles, and Other goods.
3. “Other services” refer to Dry cleaning, Work, construction & processing, Repair & maintenance, Management & storage, Services in general, Educational services, Other services, Piecework, side work & pyramid schemes, and Other administrative services.
Consultations on “online games” and “SNS” are increasing

Consultations on “online games,” which allow users to play games on the Internet through PCs and mobile telephones, and “social networking services (SNS),” which are membership web services to provide members with a virtual space for socializing, have increased significantly in recent years. A notable trend in consultations on online games is that the average amount paid rose close to ¥130,000 in FY 2012 from less than ¥80,000 in 2009 to 2011.

(Special note) Gacha
“Gacha” here refers to a scheme that provides users with characters and items to use in online games. The data refers to consultations on “electronic lottery for online games” registered with PIO-NET.
Consultations on “adult websites” remain dominant

The leading issue of consultations on e-commerce has been “adult websites.” In FY 2012, more than 60,000 cases were recorded, although the number was smaller than the year-ago level. Approximately 30% of these problems were about undeletable billing messages displayed on the screen. In these cases, users typically see the same billing message appear on the screen every time they start their PCs and it keeps popping up even after being removed.

Figure 3–3–8
Undeletable billing messages displayed on the screen account for about 30% of consultations on adult websites

(Note) Cases involving “adult websites” in consumer affairs consultation information registered with PIO-NET (registration by April 30, 2013).
Fraudulent schemes based on “dating websites” are becoming more sophisticated

More than 20,000 consultations were provided on “dating websites” in FY 2012, although the total number has been on the decline over the years. Consultations on dating websites can be divided into several types by scheme, including (1) those for consumers who accessed the site for the purpose of meeting people of the opposite or same gender (dating type); (2) those for consumers who accessed the site for the purpose of giving consultation to people pretending to be celebrities, entertainers, their managers, or others claiming to be in trouble (sympathy type); and (3) those for consumers who accessed the site for the purpose of earning money (benefit-driven type).

(Special note) “Dating websites” include those not meeting the requirements under the law to regulate dating websites (Act on Regulation on Soliciting Children by Using Opposite Sex Introducing Service on Internet).
Focus in Internet-related consultations varies by generation: online games for those under 20 years and those in their 30s, and SNS for those in their 20s

The breakdown of consultations on the Internet in FY 2012 by age group shows that consumers under 20 years old and those in their thirties were dominant in consultations on “online games,” and those in their twenties accounted for a large proportion of consultations on “SNS.” Consultations on “Internet auctions,” “smartphones,” “smartphone-related services,” and “dating websites” were dominated by consumers in their thirties to forties.

<table>
<thead>
<tr>
<th>Topic</th>
<th>Under 20</th>
<th>20s</th>
<th>30s</th>
<th>40s</th>
<th>50s</th>
<th>60+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adult websites</td>
<td>3.9</td>
<td>18.5</td>
<td>13.7</td>
<td>20.0</td>
<td>13.7</td>
<td>11.1</td>
</tr>
<tr>
<td>Online games</td>
<td>39.3</td>
<td>24.6</td>
<td>23.3</td>
<td>23.3</td>
<td>29.1</td>
<td>25.4</td>
</tr>
<tr>
<td>SNS</td>
<td>4.4</td>
<td>27.5</td>
<td>29.3</td>
<td>29.3</td>
<td>23.3</td>
<td>27.5</td>
</tr>
<tr>
<td>Internet auctions</td>
<td>10.6</td>
<td>28.7</td>
<td>27.5</td>
<td>25.6</td>
<td>29.3</td>
<td>24.6</td>
</tr>
<tr>
<td>Smartphones</td>
<td>6.5</td>
<td>9.5</td>
<td>15.2</td>
<td>11.1</td>
<td>7.6</td>
<td>12.6</td>
</tr>
<tr>
<td>Smartphone-related services</td>
<td>3.0</td>
<td>1.1</td>
<td>6.8</td>
<td>3.6</td>
<td>3.4</td>
<td>7.3</td>
</tr>
<tr>
<td>Dating websites</td>
<td>5.9</td>
<td>19.0</td>
<td>19.3</td>
<td>10.6</td>
<td>6.5</td>
<td>3.2</td>
</tr>
</tbody>
</table>

(Note) Consumer affairs consultation information for FY 2012 registered with PIO-NET (registration by April 30, 2013).
Section 3   Property-related consumer problems (7)

Illicit practices by limited dishonest businesses have worsened the image of door-to-door sales and telemarketing sales

Door-to-door sales and telemarketing sales are common forms of sales, but some dishonest businesses engage in illicit practices, such as high-pressure solicitation and false explanation. In fact, this has worsened the image of door-to-door sales and telemarketing sales among consumers. In a consumer survey, 30.8% of respondents said they had received an unsolicited visit by a door-to-door sales representative urging them to buy goods/services in the past year, and 58.5% said they had received an unsolicited phone call from a telemarketer for such purposes in the past year. More than 90% of them said these kinds of door-to-door sales and telemarketing sales were “somewhat unwelcome” or “unwelcome.”

Figure 3-3-1
Among those solicited through door-to-door sales and through telemarketing sales over the past year, respectively, about 40% have experienced illicit practices

Figure 3-3-2
More than 90% of consumers provided negative answers about unsolicited (unexpected) door-to-door sales and telemarketing

Notes:
2. Answers to the question, “What do you feel about unsolicited (unexpected) visits or calls by sales representatives to urge you to buy products/services? (Circle one)”
Section 3  Property-related consumer problems (8)

Consultations on door-to-door purchase (high-pressure buyers)* of precious metals soared in FY 2010 to FY 2011

Fiscal 2010 and 2011 saw a sharp increase in consultations on door-to-door purchase (high-pressure buyers)* of precious metals and other items. In typical cases, unknown buyers abruptly visited consumers and bought their precious items (e.g., gems, rings, gold coins) at unreasonably low prices without due explanation. In a consumer survey, 18.2% of respondents answered affirmatively when asked whether they had been visited by any “high-pressure buyer” in the past year. The percentage was particularly high for women and people in their sixties and older.

* Door-to-door purchase (High-pressure buyers) is a fraud scheme that malicious buyers who would abruptly visit consumers and press them to sell their precious items (e.g., gems, rings, gold coins) and kimono at low prices without due explanation.

![Figure 3-3-15](image_url)  Consultations on door-to-door purchase of precious metals soared in FY 2010 to FY 2011

![Figure 3-3-16](image_url)  Slightly less than 20% of consumers said they have been visited by a “high-pressure buyer” in the past year

2. Answers to the question, “Have you been visited by such a “high-pressure buyer” as described below in the past year? (Circle one.)” (above left)
3. Profile of those who reported visits by “high-pressure buyers.” (above right)
4. “High-pressure buyers” here refer to malicious buyers who would abruptly visit consumers and press them to sell their precious items (e.g., gems, rings, gold coins) and kimono at low prices without due explanation.
Chapter 3  Trends in consumer issues  
Section 4  Consumer affairs consultations concerning the Great East Japan Earthquake (1)

Consultations related to the 2011 earthquake concentrate on housing issues in the four disaster-hit prefectures and on food-related issues elsewhere

The leading topic of consultations related to the Great East Japan Earthquake were housing issues, such as “work & construction” and “real estate rental,” in the four disaster-hit prefectures,* but elsewhere it was food issues, such as “vegetables” and “rice.” There was a clear difference in consultation issues between the four disaster-hit prefectures and the other regions.

*The four disaster-hit prefectures are Iwate, Miyagi, Fukushima, and Ibaraki.

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**Figure 3-4-2**  
Consultations related to the 2011 earthquake concentrate on housing issues in the four disaster-hit prefectures and on food-related issues elsewhere 

<table>
<thead>
<tr>
<th>[Four disaster-hit prefectures]</th>
<th>FY 2010 (March 11-31, 2011)</th>
<th>Rank</th>
<th>Item</th>
<th>Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>Gasoline</td>
<td>525</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>Real estate rental</td>
<td>214</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>2</td>
<td>Work &amp; construction</td>
<td>123</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>4</td>
<td>Repair services</td>
<td>103</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>5</td>
<td>Other consultations</td>
<td>75</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>6</td>
<td>Real estate rental</td>
<td>218</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>7</td>
<td>Repair services</td>
<td>72</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>8</td>
<td>Work &amp; construction</td>
<td>128</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>8</td>
<td>Repair services</td>
<td>78</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>9</td>
<td>Repair services</td>
<td>69</td>
<td></td>
</tr>
<tr>
<td>-------------------------------</td>
<td>-----------------------------</td>
<td>------</td>
<td>------</td>
<td>-------</td>
</tr>
<tr>
<td>1</td>
<td>1</td>
<td>Gasoline</td>
<td>1,159</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>1</td>
<td>Work &amp; construction</td>
<td>1,493</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>2</td>
<td>Real estate rental</td>
<td>1,278</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>3</td>
<td>Repair services</td>
<td>72</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>4</td>
<td>Work &amp; construction</td>
<td>1,493</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>5</td>
<td>Repair services</td>
<td>1,278</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>6</td>
<td>Work &amp; construction</td>
<td>1,493</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>7</td>
<td>Repair services</td>
<td>72</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>8</td>
<td>Repair services</td>
<td>1,278</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>9</td>
<td>Repair services</td>
<td>72</td>
<td></td>
</tr>
</tbody>
</table>

(Notes) 1. Cases involving "issues related to the 2011 earthquake" in consumer affairs consultation information registered with PIO-NET (registration by April 30, 2013).  
2. The four disaster-hit prefectures are Iwate, Miyagi, Fukushima, and Ibaraki.  
3. The items correspond to product keywords (medium-level) used for describing cases.

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**Figure 3-4-3**  
"Vegetables" topped the list of issues of radiation-related consultations after the disaster

<table>
<thead>
<tr>
<th>[Throughout Japan]</th>
<th>FY 2010 (March 11-31, 2011)</th>
<th>Rank</th>
<th>Item</th>
<th>Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>Vegetables</td>
<td>140</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>Mineral water</td>
<td>110</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>3</td>
<td>Tap water</td>
<td>105</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>4</td>
<td>Other consultations</td>
<td>43</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>5</td>
<td>Dairy products</td>
<td>34</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>6</td>
<td>Fresh meat</td>
<td>365</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>7</td>
<td>Garden products</td>
<td>26</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>8</td>
<td>Real estate rental</td>
<td>35</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>9</td>
<td>Fruit</td>
<td>250</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>10</td>
<td>Mineral water</td>
<td>365</td>
<td></td>
</tr>
</tbody>
</table>

(Notes) 1. Consultations on radiation among cases related to the 2011 earthquake in consumer affairs consultation information registered with PIO-NET (registration by April 30, 2013).  
2. The items correspond to product keywords (medium-level) used for describing cases.
Half of consumers want food with as low radioactivity as possible, in addition to meeting regulatory standards

According to the “Consumer Awareness Survey on the Negative Impact of Unfounded Rumors” conducted by the Consumer Affairs Agency on or after February 14, 2013, about half of consumers who responded said they wanted food not just meeting the regulatory standards but also showing as low radiation levels as possible. Only 30% of the respondents were aware that the regulatory standards for radioactive materials contained in food are strict enough to ensure safety even for people who would eat food with those levels of radioactivity all their lives.

Figure 3-4-4
Half of consumers want food with as low radioactivity as possible, in addition to meeting regulatory standards

2. Answers to the question, “What do you know or think about regulatory standards for food radiation levels? (Choose all that apply)”
The Consumer Affairs Agency and the Consumer Commission were established in 2009, and since then there has always been a Minister of State for consumer affairs. Under the new framework, the Consumer Affairs Agency gathers information on consumer accidents centrally and prevents the recurrence and spread of harms to consumers by implementing programs based on information sharing and collaboration with related institutions and by strictly enforcing laws.

Figure 4-1-1 Basic framework of consumer administration
Nearly 80% of consumers recognize local consumer affairs centers

The local consumer affairs centers are statutory institutions responsible for providing consultations on consumer complaints and helping to resolve them. Every prefecture is legally required to set up a local consumer affairs center, and every municipality is to try to do so (obligation to make effort). Nearly 80% of consumers said they knew about local consumer affairs centers, but only about 12% said they trusted it.

Figure 4-1-2

Nearly 80% of consumers recognize local consumer affairs centers

2. Answers to the question, "Do you trust or know the following institutions and consultation offices?"
Major developments in consumer policy

The framework for consumer administration has been expanded since the establishment of the Consumer Affairs Agency. Under the framework, the Consumer Affairs Agency and related ministries have been implementing various consumer policies. While individual policies are explained in Part 2, major recent developments in consumer policy are described below.

- Management of consumer accidents affecting the life and health of consumers
  - Established the Consumer Safety Investigation Commission in the Consumer Affairs Agency (October 2012)
  - Providing product recall information at the “Recall Information Site”

- Response to financial losses caused by dishonest businesses
  - Revised the Consumer Safety Act (August 2012) to provide for administrative measures for the “cases falling in the gaps” between laws
  - Revised the Act on Specified Commercial Transactions (August 2012) to additionally regulate door-to-door purchase
  - Submitted a “Bill on Special Provisions for Civil Trial Procedures for Collective Redress for Property Damage to Consumers” to the Diet (April 2013)

- Enhancement of local consumer administration
  - Supporting the establishment of local consumer affairs centers, employment and development of consultants, and consumer education and awareness raising, based on the Local Consumer Administration Vitalization Funds
  - Increased the above funds by about ¥6 billion with appropriations from the FY 2012 supplementary budget

- Promotion of consumer education
  - Conducting discussion for developing basic policy on the promotion of consumer education in accordance with the Act on Promotion of Consumer Education (enacted in August 2012)

- Integration of food labeling systems
  - Submitted a comprehensive bill to regulate food labeling to the Diet (April 2013)

- Food safety and radiation
  - Lending radiation detectors to local governments, publishing relevant information (e.g., “Food and Radiation Q&A”), and promoting risk communication with consumers.

- Promotion of fair utility rates
  - “Study Group on Utility Rates” completed a report in consideration of the impact of numerous factors including the effect of the 2011 nuclear accident on electricity rates (November 2012)
The Consumer Affairs Agency has been assisting local government through the Local Consumer Administration Vitalization Funds in areas such as the establishment of local consumer affairs centers and other consultation offices, employment and development of consultants, and consumer education and awareness raising. As a result, the number of local consumer affairs centers has increased from 501 in 2009 to 724 in 2012, and the budget for local consumer administration has expanded from approximately ¥10.1 billion in FY 2008 to approximately ¥16.7 billion in FY 2012 (initial budget).
Part 2  Implementation of consumer policy

Part 2 focuses on the results of policies implemented in FY 2012, including those carried out by related ministries.

Chapter 1  Respecting consumer rights and supporting consumer independence
Section 1  Ensuring consumers safety and reliability
  1. Structure for quick collection and provision of accurate information
  2. Analysis and cause investigation of accidents
  3. Ensuring food safety
  4. Other policies to ensure consumers safety and reliability
Section 2  Giving consumers opportunity to make a voluntary and rational choice
  1. Policies to ensure legitimate transactions with consumers
  2. Policies to ensure appropriate labeling, standards and measurement
  3. Policies to promote fair utility rates
Section 3  Fostering consumer awareness campaigns and enhancing consumer education
  1. Systematic and comprehensive promotion of consumer education
  2. Promoting and supporting consumer education at school
  3. Promoting and supporting consumer education in communities
  4. Awareness raising and information provision for consumers
Section 4  Incorporating consumer opinions into consumer policies and making them transparent
Section 5  Helping consumers and facilitating the resolution of consumer complaints and disputes
  1. Establishment of a consumer redress system
  2. Cooperation with institutions engaged in alternative dispute resolution (ADR)

Chapter 2  Cooperating/collaborating with local governments and consumer groups and ensuring/improving effectiveness of consumer policy
Section 1  Supporting and collaborating with local governments
Section 2  Collaborating with consumer groups
Section 3  Facilitating voluntary efforts by businesses and their associations
Section 4  Expanding and enhancing administrative organization

Chapter 3  Adapting to socioeconomic development and other changes in the situation
Section 1  Promoting environmentally conscious consumption behavior and business activities
Section 2  Meeting the development of an advanced information and communication society
Section 3  Addressing the development of internationalization
Section 4  Efforts to help consumers after the Great East Japan Earthquake
Elderly victims of consumer fraud: Psychological mechanism in fraudulent schemes

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Consumer fraud targeting senior citizens is showing no sign of slowing down. Elderly consumers are falling victim of remittance fraud (known as “furikome sagi” in Japanese) and fraudulent money-making opportunities offered by deceptive brokers of prelisted shares and foreign investment products. Frauds continue to occur despite wide publicity about fraudulent business schemes not only on TV and in newspapers but even in skits played at senior citizens’ colleges. This is because con artists take advantage of people’s bias in perceiving and estimating the situation around them. The chart below shows the psychological process of elderly people getting tricked by malicious business methods carefully designed to exploit their bias.

A call about a crisis situation for your family member or the suspension of your bank account would drive your anxiety and fear. Unexpected rewards such as the acquisition of prelisted shares would bring you delight and happiness. While you are overwhelmed with an unexpected arousal of emotions (evocation), con artists would give you no time to think, urging you to pay, sign a contract, or hand in the passbook/bank card immediately. When you are emotional in a situation under time pressure, you tend to think by intuition. Intuition lets you make quick and good decisions, but it has pitfalls for its simplicity. In an emotional and urgent situation, you often resort to quick and shortsighted decisions, such as leaping at the first solution available and paying no attention to the background and surrounding information of the malicious solicitation. Furthermore, you are more likely to justify your misled belief (confirmation bias), for example, by making a confirmation call to the person who is actually a swindler. You may even restructure your situational perception to make it consistent with the wrong belief. Recent studies show that elderly people are more likely to regard others as trustworthy. To give more reality to their false stories, con artists also abuse authority, such as pretending to be a police officer. Just like a stage director good at exciting an audience or attracting their interest, con artists make up stories to prevent their targets from thinking logically. Scenarios for fraudulent business schemes are ideally structured to take advantage of elderly people, and this is probably why they fall prey to fraud so easily. The approach of inviting and asking are also used effectively, which are practices that many people commonly experience in their community and family lives. Swindlers are so tactical that they exploit the emotions of older people, such as joy, anger, sorrow and pleasure, to prevent their targets from carefully considering the offer and thus cajole them into making payments without hesitation.