White Paper on Consumer Affairs 2016

[Summary]

Consumer Affairs Agency, Government of Japan
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## Reference
Collection and analysis of information on consumer accidents, etc., and measures taken by the Consumer Affairs Agency under the Consumer Safety Act (omitted)

- Consumer affairs consultation information registered with PIO-NET shown in this document is as of April 10, 2016.
- It takes some time before consumer affairs consultation information registered with PIO-NET accepted by local consumer affairs centers. The numbers of consultations indicated in this document, especially those for FY 2015, are subject to slight increase.
- The value M.T. indicated in survey results refers to the rate calculated by dividing the total count of answers by the number of respondents (N). This value usually exceeds 100% for questions that accept multiple answers.
The front line of consumer administration is a “local area.” The roles of local consumer administration, which is close to consumers, are significant.

Local consumer administration has a variety of functions, including the consultation for consumers, consumer education, law enforcement, and product tests. “The Consumer Safety Act” specifies the clerical tasks that should be dealt with by local governments.

National and local consumer administrative bodies cooperate with each other in implementing some measures.

**Figure 1-1-2** Local consumer administration that mainly deals with consumer problems and troubles

- Advice/mediation
- Education and edification of consumers
- Complaints/consultation (Consumer hotline "188")
- Cooperation
- Information sharing

Local governments

- Consumer Administration Unit
- Welfare Police Education bureau, etc.

Local consumer affairs centers

- The number of local consumer affairs centers: 786
- The number of consultation offices: 1,018
- The number of consumer affairs consultants: 3,367

(as of April 1, 2015)

Support, consultation, training, information provision

- Information on the protection of elderly and disabled people, etc.
- Product test

Production of a database on consultation cases

National Consumer Affairs Center of Japan

Information on consultation accumulated in PIO-NET

Report on damage to assets and accidents

Assistant in system development

- Subsidy for promoting local consumer administration, etc.
- Cumulative total: about 47.3 billion yen (Supplementary budget for FY 2016 to the budget for FY 2016)

- To define "Consumer Affairs Advisors" as a profession in a legal framework, establish the official qualifying examination system. From Apr. 2016 (Amended Consumer Safety Act)

National Consumer Affairs Agency, Government of Japan

Related ministries
The reliability of local consumer affairs centers is increasing, but there are a few people who are familiar with their work

- The total number of those who recognize and trust local consumer affairs centers is larger than those for other institutions* and consultation offices for consumers.
- The number of those who trust local consumer affairs centers is increasing steadily. It increased from 29.8% to 44.2% in 3 years.
- Out of those who know local consumer affairs centers, only about 30% are familiar with the tasks of local consumer affairs centers.

(*Houterasu [Japan Legal Support Center], Food Labelling 110 [MAFF], Consultation Center for Consumers of Telecommunication Services [MIC], etc.)

![Figure 1-2-3](image1.png)

**Figure 1-2-3** Ratio of those who trust the local consumer affairs centers or consultation offices for consumer affairs of local governments

<table>
<thead>
<tr>
<th>Year</th>
<th>I trust them</th>
<th>I trust them somewhat</th>
<th>Can't say either way</th>
<th>I don't trust them</th>
<th>Don't answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2013 (N=6,690)</td>
<td>29.8%</td>
<td>49.2%</td>
<td>11.3%</td>
<td>9.6%</td>
<td>0%</td>
</tr>
<tr>
<td>FY 2013 (N=6,528)</td>
<td>30.9%</td>
<td>47.1%</td>
<td>11.3%</td>
<td>10.7%</td>
<td>0%</td>
</tr>
<tr>
<td>FY 2014 (N=6,449)</td>
<td>35.8%</td>
<td>47.2%</td>
<td>12.4%</td>
<td>8.4%</td>
<td>0%</td>
</tr>
<tr>
<td>FY 2015 (N=6,513)</td>
<td>44.2%</td>
<td>44.3%</td>
<td>12.6%</td>
<td>9.4%</td>
<td>0%</td>
</tr>
</tbody>
</table>

2. Answers to the question, "How much do you trust the local consumer affairs centers and consultation offices for consumer affairs of local governments?"
3. Numbers do not always add up due to rounding.

![Figure 1-2-4](image2.png)

**Figure 1-2-4** Degree of recognition of local consumer affairs centers

- Rate of those who "know its name and tasks" and "know its name, tasks, location, etc." = 33.3%
- I know its name and tasks, 25.9%
- I know its name, tasks, location, etc., 7.4%
- No answer, 1.1%
- I don't know its name and tasks, 11.1%
- I don't know its name, 65.7%

2. Answers to the question, "How much do you know the local consumer affairs centers?" among those who answered that they "trust" or "know" them.
3. Numbers do not always add up due to rounding.
Chapter 1, Section 2 Consultation office for consumer affairs from the viewpoint of consumers

About 70% hope to consult local consumer affairs centers in their neighborhood

- 97.7% have never consulted local consumer affairs centers in the past 1 year.
- Out of those who answered that they would consult local consumer affairs centers if they suffer from economic damage, 68.5% answered that they would like to consult a center in their neighborhood.
- The graph below shows that consumers tend to visit local consumer affairs centers and consultation offices in their neighborhood as getting older.

Figure 1-2-13 Which local consumer affairs center or consultation office is preferred by each age group

2. Answers to the question of which center or consultation office is preferred (for each age group). This question is targeted at those who answered that they would consult a local consumer affairs center if they suffer from economic damage.
3. Numbers do not always add up due to rounding.
The national government started granting the “subsidies for vitalizing local consumer administration” to prefectural governments in fiscal 2008.

Each local government can choose a menu by itself, but most of them selected the projects for establishing “systems for educating and edifying consumers, etc.,” “systems for assigning and increasing consumer affairs consultants,” and “local consumer affairs centers and consultation offices.”

Through the utilization of these subsidies, the number of consumer affairs consultants increased by 567 and the number of local consumer affairs centers grew by 285 between fiscal 2009 and the beginning of fiscal 2015.

### Figure 1-3-1 How “the subsidies for vitalizing local consumer administration” have been utilized (FY 2009 to 2014)

- Establishment of local consumer affairs centers and consultation offices: 48.2 million yen
- Training of consumer affairs consultants, holding of training sessions and assistance in participation: 23.1 million yen
- Assignment, increase, etc. of consumer affairs consultants (personnel cost): 67.9 million yen
- Consumer education and edification, etc.: 160.4 million yen
- Others: 34.4 million yen

Setting of 5 goals in “the campaign for strengthening local consumer administration”

- In order to establish local systems for enabling consumers to receive high-quality consultation and relief services as well as to secure safety and remove anxiety anywhere they live, 5 goals were set through the “campaign for strengthening local consumer administration,” which was enacted in January 2014 and revised in March 2015.
- We attained the goal of making all regions have a consultation system at the end of FY 2014.
- Consumer administration systems vary among local governments, and some goals are yet to be achieved.

<table>
<thead>
<tr>
<th>Goal</th>
<th>Progress</th>
</tr>
</thead>
</table>
| **Goal 1**: To make all regions have a consultation system
  1-1 To make all municipalities have a consultation office<br>April 1, 2014 → End of March 2015<br>Local governments without a consultation system 95 municipalities → 0 municipalities |
| **Goal 2**: Quality improvement of consultation systems
  2-1 To promote the establishment of local consumer affairs centers<br>April 1, 2014 → April 1, 2015<br>9 prefectures (463 municipalities) → 12 prefectures (413 municipalities) |
| **Goal 3**: To make all regions have a qualified consumer organization
  3-1 Promotion of the establishment of qualified consumer organizations in 3 regions (Tohoku, Hokuriku, and Shikoku), where there are no qualified consumer organizations.<br>April 1, 2013 → April 1, 2016<br>The number of qualified consumer organizations 11 organizations → 14 organizations |
| **Goal 4**: Promotion of consumer education
  4-1 Development of a consumer education promotion plan, and the establishment of the Regional Councils on Consumer Education Promotion (all prefectures and government-designated cities)<br>End of March 2014 → March 2018<br>Production of a promotion plan 11 prefectures, 1 government-designated city → 30 prefectures, 7 government-designated cities |
| **Goal 5**: Establishment of a “Protector Network”
  5-1 Establishment of the Regional Councils for Ensuring Consumer Safety<br>(All cities and towns with a population of 50,000 or over)<br>“It became possible to establish it in April 2016. (Amended Consumer Safety Act)” |
A consultation office for consumer affairs established in every municipality

- Initiatives were commenced for making every region have a consultation system.
- In FY 2010, 241 local governments did not have a consultation office, but in FY 2015, every local government had a consultation office. The ratio of local governments that have a consultation office became 100% in FY 2015.

<table>
<thead>
<tr>
<th>FY</th>
<th>The number of consultation office established</th>
<th>The number of consultation office to be established</th>
<th>(Reference) The number of municipalities</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>1,490</td>
<td>241</td>
<td>1,731</td>
</tr>
<tr>
<td>2011</td>
<td>1,580</td>
<td>148</td>
<td>1,728</td>
</tr>
<tr>
<td>2012</td>
<td>1,603</td>
<td>119</td>
<td>1,722</td>
</tr>
<tr>
<td>2013</td>
<td>1,627</td>
<td>95</td>
<td>1,722</td>
</tr>
<tr>
<td>2014</td>
<td>1,717</td>
<td>4</td>
<td>1,721</td>
</tr>
<tr>
<td>2015</td>
<td>1,721</td>
<td>0</td>
<td>1,721</td>
</tr>
</tbody>
</table>

50% of municipalities have a local consumer affairs center under the Consumer Safety Act

- “Local consumer affairs centers” are being established under the Consumer Safety Act.
- When we see municipalities, excluding the prefectures that are obliged to have a local consumer affairs center and the government-designated cities that have already established a local consumer affairs center, we can find that 50% of municipalities have a local consumer affairs center in FY 2015.
- As population decreases, the ratio of municipalities that have a local consumer affairs center declines.

![Figure 1-3-7](image-url)

![Figure 1-3-8](image-url)
Although the number of consumer affairs consultants has increased, the ratio of assigning them varies

- In order to improve consultation systems, it is important to secure consumer affairs consultants and brush up their abilities.
- The number of consumer affairs consultants in Japan increased by 567 from 2,800 to 3,367 between FY 2009 and FY 2015.
- The ratio of assigning consumer affairs consultants varies among local governments.
- The ratio of qualified consumer affairs consultants increased. The opportunities to participate in training, too, increased.
The number of the “consumer hotline” is now 3-digit, so that consumers can consult easily

- The “consumer hotline,” whose number is common nationwide, will connect consumers to a nearby consultation office for consumer affairs established by local governments.
- To allow consumers to remember and use the number more easily, the number of the “consumer hotline” became 3-digit “188 (I-ya-ya, which implies irritation)” in July 2015.
- The number of calls almost doubled, from the time when the 10-digit number was used. It is still necessary to popularize this number more.
The establishment of consultation systems helped us find consumer problems and deal with consumer problems of elderly people

- Since a consultation office was established at every municipality in Japan, the number of consultations at municipalities is increasing.
- Especially, elderly people tend to consult a nearby office.
- It seems that the establishment of consultation systems could help us find consumer problems, prevent elderly people from consumer harm, and rescue them early.

![Figure 1-3-22 Changes in the number of consultations at local governments](image)

![Figure 1-3-23 Ratio of elderly people who consulted in each local government](image)

(Note) 1. Consumer affairs consultation information registered with PIO-NET (registration by Apr. 10, 2016).
2. Indices when FY 2009 = 100.
As consultation offices at municipalities have increased, the number of mediation cases rose

- Among consumer problems, those concerning the contracts for communications services have become complex. Accordingly there are an increasing number of cases in which it is difficult for consumers to solve problems by themselves.
- Consultation offices in consumers’ neighborhoods are suited for mediation, in which consumer affairs consultants or staff in charge negotiate for solving the problems between consumers and businesses.
- As the number of consultation offices increased, the rate of mediation grew.
- The rate of mediation is high in municipalities where elderly people who cannot solve problems by themselves often consult.

Figure 1-3-24 Ratio of mediation cases and resolved cases for each local government (FY2015)

(Note) Consumer affairs consultation information registered with PIO-NET (registration by Apr. 10, 2016).

Figure 1-3-17 The number and ratio of mediation cases, and the number of resolved cases

(Note) Consumer affairs consultation information registered with PIO-NET (registration by Apr. 10, 2016).
In each region, local governments implement measures according to regional characteristics

- Local governments implement measures according to regional characteristics and issues.
- For example, they enrich or newly establish local consumer affairs centers, and establish local networks for the cooperation and collaboration among various actors, the systematic consumer education, and protection.

Establishment of a local consumer affairs center based on wide-range cooperation (Shimemachi, Fukuoka Prefecture)

Promotion of consumer education involving many citizens (Chiba-shi)

Junior high school class related to advertisement and labelling (Kyoto Prefecture)

Wide-range local consumer affairs center in the south-central part of Kasuya

Circular notice distributed at the town council

Class scene: learning problems through role-playing

Cooperation between the fire-fighting association regarding the anti-disaster protection and consumer administration (Okayama Prefecture)

Support for municipal consultation systems utilizing ICT (Hiroshima Prefecture)

Program for money education in special school (Hyogo Prefecture)

Public lecture on cultivating personnel in charge of coordinating consumer education — protector network through regional cooperation
Chapter 1, Section 5 For strengthening the base of local consumer administration

For strengthening local consumer administration

- It is necessary to strengthen local consumer administration further, so that consumers will be able to receive high-quality consultation and relief services as well as to secure safety and remove anxiety anywhere they live.
- Recognition and utilization of the consumer hotline “188”.
- As consumers, especially elderly people, hope to consult a nearby consultation office, we promote the establishment of local consumer affairs centers, including small ones, in municipalities.
- Employment of consumer administration staff and consumer affairs advisors, and improvement of their abilities (Under the Amended Consumer Safety Act, consumer affairs advisors became statutory and a system for a qualifying test was established in April 2016).
- In order to prevent credulous elderly consumers and others from suffering from grave consumer problems, we promote the establishment of a regional “Protector Network.”
- It is necessary to enable citizens to receive consumer education in various scenes throughout their lives. As footholds, local consumer affairs centers support various actors in each region, and cement the cooperation with related organizations.

Figure 1-5-1 Efforts for strengthening local consumer administration

- Nationwide establishment of regional systems for enabling consumers to receive high-quality consultation and relief services as well as to secure safety and remove anxiety anywhere they live.
- Campaign for strengthening local consumer administration
- Support
  - Promotion of the establishment of local consumer affairs centers in municipalities
  - Quality improvement of consultation systems
- To deal with diverse, complex consumer issues
- In April 2016
  - Amended Consumer Safety Act
    - Establishment of a regional “Protector Network”
    - Consumer affairs advisors became statutory; establishment of qualifying examination systems
- 3-digit number of the consumer hotline “188”
  - Promotion of recognition and utilization
- Act on Promotion of Consumer Education
  - Development of a consumer education promotion plan, and the establishment of the Regional Councils on Consumer Education Promotion
- Enhancement of consumer education
- Strengthening of regional cooperation among various actors
- Employment of consumer administration staff and consumer affairs advisors, and improvement of their abilities
Chapter 2  Consumer-related socioeconomic situation and consumers’ behavior/attitude

Section 1  Consumer-related socioeconomic situation

There was an increase in the prices of most of daily necessities in 2015

- Out of the 25 products that are monitored for commodity prices, the number of products whose prices increased from the previous month exceeded that of products whose prices dropped, for 10 months in a row from April 2015.
The increase in commodity prices in the coming 1 year estimated by monitoring staff is declining

- The weighted average of the increase/decrease in commodity prices in the coming 1 year estimated by monitoring staff was 2.3% in December 2014, in which the survey began, and 1.5% in the recent research. It is declining.

![Figure 2-1-19 Rate of expected inflation in the coming 1 year forecasted by consumers](image)

(Notes) 1. Cabinet Office, "Consumer Confidence Survey" (outlook for commodity prices, households of two or more persons) and Consumer Affairs Agency, "Survey for Monitoring Commodity Prices."
2. The horizontal axis represents the date of the survey.
3. As for Cabinet Office, "Consumer Confidence Survey (outlook for commodity prices, households of two or more persons)", it was assumed that the inflation rates of "5% or lower," "5% (exclusive) to -2% (inclusive)," "over -2%," "below 2%," "2% (inclusive) to 5% (exclusive)," and "5% or over" are -5%, -3.5%, -1%, 1%, 3.5%, and 5%, respectively.
4. As for Consumer Affairs Agency, "Survey for Monitoring Commodity Prices", it was assumed that the inflation rates of "below or around -5%," "around -4%," "around -3%," "around -2%," "around -1%," "around 1%," "around 2%," "around 3%," "around 4%," and "around or over 5%" are -5%, -4%, -3%, -2%, -1%, 1%, 2%, 3%, 4%, and 5%, respectively. In January or March 2015, the survey for monitoring commodity prices was not conducted.
Chapter 2, Section 1  Consumer-related socioeconomic situation

Distribution of smartphones progresses

- Smartphones have become more widespread, and 44.7% owned a smartphone as of the end of 2014.
- In the age range from 13 to 30 years, over 70% own a smartphone. The ratio of those who have a smartphone in their 50s increased by 9.1% and the ratio for the 60s grew by 5.2% compared with the previous year. Namely, middle-aged people, too, own a smartphone increasingly.

![Figure 2-1-24 Ratio of people who have a mobile phone for each age group](image)

(Note) Ministry of Internal Affairs and Communications, "Communication Usage Trend Survey."
More consumers are committed to take action, such as closely checking labels

- More consumers are committed to take action, such as “closely checking and understanding labels and descriptions before selecting products/services,” “knowing and having in mind how to respond to potential problems” and “understanding the management of personal information, and take action properly.”
Many consumers select products while considering their “price,” “functionality,” and “safety.”

- Many consumers select products or services while considering their “price,” “functionality,” and “safety.”
- As consumers become older, the number of consumers who take into account “how their complaints and requests would be dealt with” increases.
- As consumers become older, the number of consumers who consider “the effects of products and services on the environment” and “managerial policy, ethos, and social contribution activities” increases.

Figure 2-2-2: What consumers consider when selecting products and services

2. Answers to the question, “How much do you consider the following items when selecting products or services?”
3. Numbers do not always add up due to rounding.
Among the consumer issues that occurred in the past 2 years, “the safety of food products” and “false labelling, deceptive advertising, etc.” are attracting attention.

- Among the consumer issues that occurred in the past 2 years, “the safety of food products” and “false labelling, deceptive advertising, etc.” are attracting attention.
- The comparison among age groups indicates the differences in characteristics between the group in their 20s and the group aged 70 or older.
- 29.8% of consumers aged 70 or older are interested in “Internet-related troubles,” while 55.8% of consumers in their 20s are interested in them.
- Over 50% of consumers aged 70 or older are interested in “fraudulent schemes,” while 25.6% of consumers in their 20s are interested in them.

Areas that interest those who are aware of consumer issues (for each age group)

2. Answers to the question, “What kind of consumer issues have you been interested in?” among those who answered “Yes” to the question, “Are you interested in consumer issues that occurred in the past 1 or 2 years?” (multiple answers accepted)
3. The detailed names of respective items are “Regarding the safety of food products, such as food poisoning,” “Regarding the information on products and services falsified by businesses, such as false labeling and deceptive advertisings,” “Regarding fraudulent schemes, such as coercive solicitations and illegal moneymaking schemes,” “Regarding the troubles related to the use of the Internet, such as social networking sites, games, and online stores,” “Regarding the accidents due to the defects of products and facilities,” and “Regarding the accidents caused by problems with service, such as poor skills.”
Chapter 2, Section 2 Consumers’ behavior and attitude

About 10% of consumers have experienced consumer harm and problems in the past 1 year

- Consumers who said they had experienced consumer harm and problems with products or services purchased in the past 1 year accounted for 10.9%.
- A large proportion of consumers have experienced such troubles as “They found product functionality/quality or service quality much poorer than expected” and “They found actual products/services markedly different from what had been advertised or represented.”

<table>
<thead>
<tr>
<th>Experience of consumer harm and problems associated with purchased products/services</th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Found product functionality/quality or service quality much poorer than expected</td>
<td>6.1%</td>
<td>7.9%</td>
<td>8.2%</td>
</tr>
<tr>
<td>Found actual products/services markedly different from what had been advertised or represented</td>
<td>2.5%</td>
<td>4.9%</td>
<td>4.8%</td>
</tr>
<tr>
<td>Was charged far more than expected</td>
<td>0.8%</td>
<td>2.4%</td>
<td>2.7%</td>
</tr>
<tr>
<td>Had safety or health problems (e.g., injury, illness)</td>
<td>0.5%</td>
<td>1.3%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Concluded a contract/purchase as a result of an unfaithful sales method or pitch</td>
<td>0.4%</td>
<td>1.4%</td>
<td>1.7%</td>
</tr>
<tr>
<td>Suffered damage from contract/cancellation problems</td>
<td>0.4%</td>
<td>1.1%</td>
<td>1.2%</td>
</tr>
<tr>
<td>Made (or promised) payments to businesses as a result of fraud</td>
<td>0.2%</td>
<td>0.3%</td>
<td>0.6%</td>
</tr>
<tr>
<td>Experienced other consumer harm</td>
<td>0.7%</td>
<td>1.6%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Experienced any of the above</td>
<td>8.0%</td>
<td>10.6%</td>
<td>10.9%</td>
</tr>
</tbody>
</table>

(Notes) 1. Consumer Affairs Agency, “Basic Survey on Consumer Life.” The percentage of valid responses was 65.1% in the FY 2015 survey, 64.5% in the FY 2014 survey and 65.3% in the FY 2013 survey.
2. Answers to the question, “Regarding products and services you have purchased in the past year, have you experienced any of the following in the past year?”
Public recognition of the food loss problem is increasing

- The annual “food loss” which means food waste discarded even in edible conditions amounts to 6.42 million tons (FY 2012).
- Since FY 2012, the Consumer Affairs Agency (hereinafter referred to as “CAA”) has been conducting activities to reduce food loss in collaboration with related ministries and agencies.
- The public recognition of consumers is rising, and in FY 2015, 77.8% answered that they know the food loss problem.

<table>
<thead>
<tr>
<th>Year</th>
<th>FY 2012</th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(N=6,690)</td>
<td>(N=6,528)</td>
<td>(N=6,449)</td>
<td>(N=6,513)</td>
</tr>
<tr>
<td>1. I am familiar with it.</td>
<td>8.5</td>
<td>10.9</td>
<td>9.8</td>
<td>6.6</td>
</tr>
<tr>
<td>2. I know it somewhat.</td>
<td>22.1</td>
<td>24.4</td>
<td>21.2</td>
<td>15.1</td>
</tr>
<tr>
<td>3. I am not familiar with it.</td>
<td>51.2</td>
<td>52.9</td>
<td>54.4</td>
<td>54.0</td>
</tr>
<tr>
<td>4. I don’t know it at all.</td>
<td>17.4</td>
<td>11.6</td>
<td>14.3</td>
<td>23.8</td>
</tr>
<tr>
<td>5. No answer.</td>
<td>0.7</td>
<td>0.1</td>
<td>0.3</td>
<td>0.5</td>
</tr>
</tbody>
</table>

2. Answers to the question, "Do you know that 'food loss' is now a problem?"
3. Numbers do not always add up due to rounding.
Chapter 2, Section 2 Consumers’ behavior and attitude

A certain percentage of people are still concerned about radioactive material and avoid food from specific regions, though the number is declining

- A certain percentage of consumers still hesitate to purchase food produced in Fukushima Prefecture, though the number is declining (15.7% as of February 2016).
- CAA, in collaboration with related ministries and agencies and local governments, strives to provide accurate information by conducting risk communication (information/opinion exchange gatherings), and the provision of the latest information to communicators trained in FY 2013 through websites and e-mail newsletters.
  *Communicators refer to people who are trained to deliver accurate information to local communities.

Figure 2–2–15 Production areas where those who are concerned about radioactive material refrain from buying products

   2. The number of answers to the question about “producing regions of food you hesitate to buy from” given by those who answered that they want to “buy food not contaminated with radioactive material” as a percentage of the total respondents (multiple answers accepted) among those who answered that they were “concerned” or “somewhat concerned” about producing regions; for the graph shown to the right, the number of those who hesitate as a percentage of the total respondents for each region of residence.
The number of consumer affairs consultations in FY 2015 was as large as 927,000, still indicating a high level

- The number of consumer affairs consultations in FY 2015 was 927,000.
- Although the number declined from FY 2014, it is still high.
- As informatization has spread further among a broad range of age groups, there was a rise in the number of consultations related to information and communications such as the troubles related to the Internet, the contracts for communications devices and services.

**Figure 3-1-1** Changes in the number of consumer affairs consultations

(Cases in 10,000s)

<table>
<thead>
<tr>
<th>Year</th>
<th>Cases involving fictitious bills</th>
</tr>
</thead>
<tbody>
<tr>
<td>1984</td>
<td>49</td>
</tr>
<tr>
<td>1985</td>
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<td>2015</td>
<td>218</td>
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</table>

(Notes) 1. Consumer affairs consultation information registered with PIO-NET (registration by April 10, 2016) The number of consultations in FY 2015 in this figure was calculated by the Consumer Affairs Agency, by adding 890,000 registered with PIO-NET and 37,000 confirmed as consultation. In other figures, 890,000 registered, which can be analyzed in detail, is considered as a total number. 2. The data in and before FY 2005 are based on the National Consumer Affairs Center of Japan, "The Annual Report on Consumer Affairs 2015." 3. "Fictitious bills" refer to payment requests received from unfamiliar entities. Data collection in this category started in FY 2000. The data for FY 2015 includes the values estimated by the Consumer Affairs Agency. 4. From FY 2006, the number of consultations, excluding consultation offices, has been counted.
Consultations on ICT issues are by far the largest in number

- The breakdown of the FY 2015 consultations by product/service type shows that “transport & communications services,” which are mostly related to information communications (communications services), including online digital contents, were by far the largest category in the number of consultations, with about 280,000 consultations received. However, payments made per case were small, at ¥25,000.
- “Financial & insurance services” was the second largest category in the number of consultations.

Figure 3-1-2 The number of consumer affairs consultations and payments made, by product/service type (FY 2015)

(Cases in 10,000s)

<table>
<thead>
<tr>
<th>Consultations</th>
<th>Average payments made</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transport services</td>
<td>24.4 (¥10,000s)</td>
</tr>
<tr>
<td>Communications services</td>
<td>24.3</td>
</tr>
<tr>
<td>Other services</td>
<td>25</td>
</tr>
<tr>
<td>Educational &amp; leisure goods</td>
<td>65.5</td>
</tr>
<tr>
<td>Financial &amp; insurance services</td>
<td>115.7</td>
</tr>
<tr>
<td>Insurance</td>
<td>93.8</td>
</tr>
<tr>
<td>Other consultations</td>
<td>24.4</td>
</tr>
<tr>
<td>Work, construction &amp; processing</td>
<td>24.4</td>
</tr>
<tr>
<td>Land, building &amp; facilities</td>
<td>24.4</td>
</tr>
<tr>
<td>Utility-related goods</td>
<td>24.4</td>
</tr>
<tr>
<td>Educational services</td>
<td>24.4</td>
</tr>
<tr>
<td>Dry cleaning</td>
<td>24.4</td>
</tr>
<tr>
<td>Services in general</td>
<td>24.4</td>
</tr>
<tr>
<td>Management &amp; storage</td>
<td>24.4</td>
</tr>
<tr>
<td>Other goods</td>
<td>24.4</td>
</tr>
</tbody>
</table>

(Note) 1. Consumer affairs consultation information registered with PIO-NET (registration by April 10, 2016).
2. The vertical axis represents the number of consultations for each product category. The width along the horizontal axis represents average payments made for each product category.
3. Product categories are arranged in descending order of the number of consultations.
4. The average payments made were calculated by the Consumer Affairs Agency, assuming that the payment was zero in the cases with “No answer (No input).”
5. Transport & communications services consist of transport services, which refer to postal, freight transport, and passenger transport services; and communications services, which include broadcast services. Financial & insurance services consist of financing services, deposits, investment products, etc., and insurance. The breakdown of average payments made for transport & communications services are as follows: ¥27,000 for transport services and ¥25,000 for communications services. That for financial & insurance services is as follows: ¥117,000 for financing services, ¥1,589,000 for deposits, investment products, etc., and ¥413,000 for insurance.
Chapter 3, Section 1  Overview of consumer issues

Average value involved per consultation is declining

- The average contract/purchase value (amount billed or purchased/contracted) per consultation case has been declining these years in all groups: total, the elderly (65 years & over), and under 65 years.
- The average payments made (amount actually paid) are nearly equal to those in the previous fiscal year.
- The decline in value is mainly due to the decline in the number of consultations for expensive products, including financial products, and the increase of consultations related to information communications, which involve relatively small amounts on average.

![Figure 3-1-3: Changes in average contract/purchase value and average payments made](image)

(Note)  Consumer affairs consultation information registered with PIO-NET (registration by April 10, 2016).
ICT-related consultations are common in a wide range of age groups

- Many of the consumer affairs consultations were related to Transport & communications services, such as digital content, Internet connection lines, mobile phones and other communications services, in a wide range of age groups.
- Number in the 40s and 60s columns is proportional to the population.
- A large portion of consultations by women in their 70s are related to “Financial & insurance services.”
Chapter 3, Section 1  Overview of consumer issues

Consumer affairs consultations for the elderly are still at a high level

- The number of consumer affairs consultations for the elderly tend to increase, and though FY2015 was below the level of FY2014, the level was still high.
- The consultations are on the rise for those related to consumers of more advanced age among the elderly people.
- While consultations related to digital content and Internet increased in FY2015, the consultations about financial products have decreased. Consultations related to receiving suspicious phone calls often include cases without any specific information about the products.

![Figure 3-1-9 Number of consumer affairs consultations from elderly people](image)

![Figure 3-1-11 Product/service types dealt in the consultations related to elderly people (top 5 items)](image)

(Note) Consumer affairs consultation information registered with PIO-NET (registration by April 10, 2016).
The number of consultations for elderly people with dementia, etc. is at a high level

- The number of consultations for elderly people with dementia, etc. who need to be watched over is at a high level.
- About 40% of these consultations are pertinent to the door-to-door sales of newspaper subscription, roof work, and so forth, larger than that of elderly people in total.
- Most of the consultations are received from people other than the contracting person, with the consultations from the actual persons concerned at less than 20%.

Figure 3-1-12 The number of consultations for elderly people with dementia, etc.

Figure 3-1-13 Breakdown of consultations for elderly people with dementia, etc. by sales/purchase method (FY 2015)
Chapter 3, Section 1  Overview of consumer issues

Consultations about “online stores” increased

- The breakdown of consultations by sales/purchase method indicates that the percentage of “purchase at stores” is declining, while that of “online stores” is increasing, accounting for 34.9% among consumers aged under 65 years.
- Among consultations by the elderly, ratio of “telemarketing sales” accounting for the large proportion in recent years have decreased and instead “online stores” increased.

<table>
<thead>
<tr>
<th>(FY)</th>
<th>Under 65 years</th>
<th>65 years &amp; over</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase at stores</td>
<td>35.2</td>
<td>34.9</td>
</tr>
<tr>
<td>Door-to-door sales</td>
<td>7.5</td>
<td>7.4</td>
</tr>
<tr>
<td>Telemarketing sales</td>
<td>5.2</td>
<td>5.4</td>
</tr>
<tr>
<td>Online stores</td>
<td>26.7</td>
<td>27.4</td>
</tr>
<tr>
<td>Mail order sales (other than online stores)</td>
<td>0.2</td>
<td>0.4</td>
</tr>
<tr>
<td>Multilevel marketing transactions</td>
<td>1.2</td>
<td>9.4</td>
</tr>
<tr>
<td>Negative-option marketing</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>Door-to-door purchase</td>
<td>12.9</td>
<td>13.1</td>
</tr>
<tr>
<td>No store or others</td>
<td>0.9</td>
<td>1.2</td>
</tr>
<tr>
<td>Unknown or unrelated</td>
<td>0.9</td>
<td>0.5</td>
</tr>
</tbody>
</table>

(Notes) 1. Consumer affairs consultation information registered with PIO-NET (registration by April 10, 2016).
2. “Door-to-door purchase” was added as a new category on February 21, 2013 due to a revision to the Act on Specified Commercial Transactions.
3. The scope of “online stores” is wider than what are commonly called online stores and includes website access charges (typically for adult websites) and digital content such as online games. The fact that online stores mentioned in the context of consumer affairs consultation information include these items should be kept in mind when data are examined.
4. Numbers do not always add up due to rounding.
Losses from harm and problems to consumers amounted to an estimated 6.1 trillion in 2015

- The losses from harm and problems to consumers (total expenditures on products and services associated with consumer harm and problems) in 2015 amounted to an estimated 6.1 trillion.
- This amount expresses how much economic losses consumers suffered due to recognized harm and problems, as measured by the value of products/services involved.

<table>
<thead>
<tr>
<th>Figure 3-1-29 Losses from harm and problems to consumer</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Contract/purchase value</strong></td>
</tr>
<tr>
<td>Approx. ¥6.6 tn.</td>
</tr>
<tr>
<td><strong>Payment made (including credit granted)</strong>*</td>
</tr>
<tr>
<td>Approx. ¥6.1 tn.</td>
</tr>
<tr>
<td><strong>Payment made</strong></td>
</tr>
<tr>
<td>Approx. ¥5.6 tn.</td>
</tr>
</tbody>
</table>

* "Payment made (including credit granted)" is calculated by adding future payments, such as the amount charged on credit cards, to the payments already made.

(Notes) 1. The number of cases is estimated from the results of the Basic Survey on Consumer Life with respect to the answers to the following question: "Regarding products and services you have purchased in the past year, have you experienced any of the following in the past year?" The options given were (1) Had safety or health problems (e.g., injury, illness); (2) Found product functionality/quality or service quality much poorer than expected; (3) Was charged far more than expected; (4) Found actual products/services markedly different from what had been advertised or represented; (5) Concluded a contract/purchase as a result of an unfaithful sales method or pitch; (6) Suffered damage from contract/cancellation problems; (7) Made (or promised) payments to businesses as a result of fraud; and (8) Experienced other consumer harm.
2. Average payments made are calculated from consumer affairs consultation information for 2015 registered with PIO-NET (registration by January 31, 2016).
3. Total expenditures on products and services associated with consumer harm and problems.
4. The above amounts are estimates made through the following procedure: “the probability of occurrence” of consumer harm and problems was obtained from “Basic Survey on Consumer Life”, and then it was multiplied by the average payment per case calculated from consumer affairs consultation information. The estimates also include corrections, such as additions based on the assumption that there are some latent cases experienced by the elderly.
5. The survey on which these estimates are based relies on consumers’ perceptions. It should therefore be noted that the perception of consumer harm and problems varies between respondents and the results may include errors due to such nature of the awareness survey.
Almost the same number of consumer accidents as recorded in the previous fiscal year were reported to CAA under the Consumer Safety Act

- Under the Consumer Safety Act, 12,282 cases of information on consumer accidents were reported to CAA in FY2015. This represents an increase by 1.7% from 12,078 cases in the previous fiscal year.
- These cases include 2,897 “life or health-related accidents” (a 0.3% decline from 2,906 cases in FY2014), and 9,385 “property-related cases” (a 2.3% increase from 9,172 in FY2014).
- The number of “serious injuries” (due to fires, falls, toppling, etc.) was 1,304, an increase of 4.5% compared with the previous fiscal year.

(Note) The number of consumer accidents reported to the Consumer Affairs Agency under the Consumer Safety Act.
Chapter 3, Section 2  Information on consumer accidents related to consumers’ life and health

Consultations on damage/risk information is on a decline from FY2014

- Among consumer affairs consultations in FY2015, 14,447 cases were classified as “damage/risk information.”
- 10,177 cases were “damage information” while 4,270 were “risk information,” both of which decreased compared with the consultations in the previous fiscal year.
- “Skin problems” was the most frequently reported “damage information” while “mixed foreign substances” was the highest among “risk information.”
Chapter 3, Section 2  Information on consumer accidents related to consumers’ life and health

Caution for accidental ingestion of children and elderly people

- There reported accidental ingestion of water absorbing polymer balls by children, and of PTP packaging sheets (pill packaging) by elderly people.
- Accidental ingestion by children may be overlooked and become serious risks, without their parents attendance.
- To prevent accidental ingestion, PTP packaging sheets need to be taken care of without separation.

Figure 3-2-13  Marketed product of water absorbing polymerballs that expand in water (image)

(Note) Publication material by National Consumer Affairs Center of Japan on October 1, 2015.

Figure 3-2-14  Expanding observed as immersed in artificial liquid

(Note) Publication material by National Consumer Affairs Center of Japan on October 1, 2015.

Figure 3-2-21  PTP packaging sheets (image)

(Note) Publication material by Consumer Affairs Agency on September 16, 2015.

Figure 3-2-22  A PTP packaging sheet impaled on esophagus (endoscopic photo)

(Note) Publication material by Consumer Affairs Agency on September 16, 2015.
Chapter 3, Section 3  Recent trends in consumer issues

Contract problems with mobile phones, especially smartphones, increased

- With the technical advancement and increasingly complex service systems as a backdrop, consumer affair consultations on mobile phone–related cases are increasing year after year.
- Among the mobile phone–related consultations, the proportion of smartphone-related consultations are on the increase.
- Consultations on “smartphone-related services” for using digital content such as “adult websites” from smartphones are also increasing, and FY2015 maintained an upward trend.
- There were reports of cases in which dishonest businesses used prepaid cards, etc. as the payment methods for those.

![Figure 3-3-1](image1.png)

![Figure 3-3-2](image2.png)
Troubles involving SNS are becoming more common among middle-aged and elderly consumers

- Consumer affairs consultations involving social networking services (SNS) are growing.
- In recent years, they have also spread among middle-aged and elderly consumers.

There were about 9,000 consultations in FY2015. Compared to FY2010, this is about 13 times more for those in their 60s and about 23 times more for those in their 70s and over.
- The subject of consultation varied widely, such as “SNS connected to adult websites,” and “buying supplements as a trial after seeing displayed advertisements somehow led to repeated purchases.”

(Note) Consumer affairs consultation information registered with PIO-NET (registration by April 10, 2016).
Chapter 3, Section 3  Recent trends in consumer issues

Troubles with Internet connection lines continue to increase, alongside the influence of the wholesale system on optical line connection service

- Consultations on “Internet connection lines” related to the price and services of providers and Internet lines have increased.
- Due to the new system introduced in Feb. 2015, the number of consultations on the wholesale of optical line connection service has shot up in FY 2015.

Figure 3-3-5 Consultations on Internet connection lines, and of those concerning optical fiber

(Note)  Consumer affairs consultation information registered with PIO-NET (registration by April 10, 2016).

Figure 3-3-6  Consultations on the wholesale of optical line connection service

(Note)  Consumer affairs consultation information registered with PIO-NET (registration by April 10, 2016).
Consultations on fraudulent tactics involving the elderly are increasing

- Of the consultations by the elderly, those concerning the fraudulent tactics are increasing in recent years.
- The most notable in FY 2015 was the fraudulent tactics to suggest the “deletion of leaked personal information.”
- On the other hand, the proportion of consultations from the elderly themselves has increased and the proportion of the cases where the payments had already been made has decreased. The average payment made per consultation case is also going down.
- It is possible that the awareness raising and enlightenment activities from the administrations and various organizations link to earlier consultations.
Consultations on the introduction of My Number system are increasing

- From around October 2015, when the notice of My Number system started, the number of consultations concerning My Number system (started operating in Jan. 2016) increased dramatically.
- Majority of consultations were “I am being asked to submit My Number, but should I?”.
- There were some cases of illegal solicitations and activities to obtain personal information.

Fig. 3-3-14 Consultations on My Number system

(Note) Consumer affairs consultation information registered with PIO-NET (registration by April 10, 2016).
Choices of electricity providers opened up with full liberalization of the electricity market, and accordingly the number of consultations increased

- With the full liberalization of the electricity market in April 2016, many companies such as gas/oil, telecommunications, railway companies, as well as regional power companies have entered the market, offering a wide range of pricing plans and services.
- The number of consultations on electricity liberalization has gone up dramatically since January in 2016 when advance applications for switching the power companies increased.
- CAA is raising awareness among consumers by providing advice that there is no need to hastily enter an agreement and they should consider carefully, and the frequent misunderstandings and correct information, as well as warnings against the solicitations of equipment such as solar panels, etc. by piggybacking on the liberalization.
Towards ensuring “safe and secure living” for every consumer

- At CAA, we have inaugurated the “Strategies for Safe & Secure Consumer Living 2015” under the 3rd “Basic Plan for Consumers” and will address on the following 3 pillars:
  1. Involvement of diverse players and enhancement of cooperation and collaboration
  2. Ensuring and improving of system effectiveness
  3. Enhancement of information collection and service

**Figure 4-1-5 Strategies for Safe & Secure Consumer Living 2015**

- Since the establishment of the Consumer Affairs Agency, development of basic frameworks and new systems to promote the consumer administration is well underway.
- Under the 3rd “Basic Plan for Consumers,” (Cabinet Resolution, Mar. 24, 2015) ensuring and improving the effectiveness of the frameworks and systems is the challenge for the next 5 years. The following 3 pillars will be addressed:
  1. Involvement of diverse players and enhancement of cooperation and collaboration in regions in the face of increasingly diversified, complex consumer issues.
  2. Ensuring and improving of system effectiveness by developing better rules and improving executive system.

1. Involvement of diverse players and enhancement of cooperation and collaboration
   - Establishing systems to prevent harm for elderly people and regional consultation systems
     - Establishing & enhancing local systems to offer high-quality consultations and help wherever they live
     - Promoting the establishment of local networks to protect elderly people
     - Preventing harm on/helping the disabled and elderly people with dementia, etc.
   - Elevating consumer powers through impelling consumer education
     - Developing nation-wide movements rooted in regional areas and cooperating/collaborating with diverse players
     - Dealing with the youth in view of lowering lawful age
     - Researches on code of conduct of businesses and consumers
     - Promoting ethical consumption
     - Promoting better risk communications in diverse topics of food safety by various bodies
   - Promoting Business Collaborations
     - Promoting consumer-oriented management, beneficial for both consumers and businesses

2. Ensuring and improving of system effectiveness
   - Developing legal systems, etc.
     - Review of the Act on Specified Commercial Transactions
     - Review of the Consumer Contract Act
   - Improving executive systems
     - Enforcement of the Surcharge Act against Unjustifiable Premiums and Misleading Representations
     - Enforcement of the Act on Specified Commercial Transactions
     - Enforcement of the Act on Special Measures Concerning Civil Court Proceedings for the Collective Redress for Property Damage Incurred by Consumers
     - Enforcement of Food Labeling Law

3. Enhancement of information collection and service
   - Promoting better prevention & help with consumer troubles through enhancement of information collection/service
     - Enhancing information collection (incl. consumer voices) concerning consumer accidents
     - Strengthening PR, etc. to prevent expansion in number of consumer issues
     - Promoting measures related to commodity prices (incl. awareness raising activities)
   - Measures for informatization and globalization
     - Understanding and risk analysis of new consumer troubles arising from online trading
     - Enhancing provision of information and consultation systems to deal with ever-increasing foreign visitors to Japan, foreigners living in Japan and cross-border trading
   - Ensuring a diversity of options with improved food labeling
     - Surprising consumers’ ability to utilize labelling
     - Smooth enforcement and recognition of new food labeling system
     - Examination of other individual issues, etc.
Response to incidents in FY2015 (1)
Response to the ski bus accident

- In January 2016, 15 people were killed in an accident in Karuizawa when a ski bus fell off a road.
- The Ministry of Land, Infrastructure, Transport and Tourism published an interim report on March 29 after discussing the prevention measures at the accident prevention committee. They are planning to publish a comprehensive report by summer.
- CAA ran a survey on the users’ awareness on safety. It revealed that, while the consumers were prepared to pay the premiums for the safety measures, systems such as the “SAFETY BUS” mark was hardly known to them.
- CAA and the Ministry of Land, Infrastructure, Transport and Tourism will collaborate to work on the visualization of the bus safety, etc.

Response to incidents in FY2015 (2)
Response to illegal trading of discarded food products

- In January 2016, illegal reselling of discarded food products by an industrial waste service company has come to light.
- At the moment (as of end of March 2016), the whole picture has still not become clear but the implementable measures have been compiled to prevent the reoccurrences, etc.
- The incident is verified and countermeasures is discussed as needed when the whole picture becomes clear.
Measures for preventing misleading representations
(introduction of surcharge system)

- The Act against Unjustifiable Premiums and Misleading Representations was revised in the face of recent social problems such as “food fraud” and “food labelling and other problems.”
- The surcharge system, which was enforced in April 2016, was introduced against the undertakings that have committed misleading representations.

**Figure 4-3-1** Introducing surcharge system (revised the Act against Unjustifiable Premiums and Misleading Representations) (enforced in April 2016)

In order to prevent the inducement of customers by means of misleading representations, a surcharge system towards undertakings making misleading representations and reduction system to promote recovery of damages are introduced.

**Surcharge payment order (Article 8)**
- Acts subject to surcharge:
  - Misleading representation of substance of goods or services
  - Misleading representation of price or any other trade terms
- Method of calculating the amount of surcharge:
  - 3% of sales for goods or services concerned
- Applicable period: The upper limit is 3 years.
- Exception: In the case that the undertaking that was against the law is found not to be negligent of due care, CAA may not impose surcharge.
- Requirement of scale / The minimum standard of scale: If the amount of surcharge is less than 1.5 million yen, CAA may not impose surcharge.

**Reduction of the amount of surcharge (Article 9)**
Undertakings voluntarily submitting reports regarding the facts of the violation shall be reduced the amount of surcharge by 50%.

**Recovery of damages (Articles 10 & 11)**
CAA may not order payment of a surcharge or may reduce the amount of surcharge, subject to an undertaking’s voluntary refund (if refund measure is implemented) which is in accordance with the designated procedures.

1: Submission of a plan of implementation of refund measure, and CAA’s authorisation
- Undertakings which aim to benefit from reduced surcharge subject to voluntary refund must submit a plan of implementation of refund measure, which then has to be approved by the Secretary-General of the Consumer Affairs Agency.

2: Implementation of refund measure (refund)
- The undertaking implements refund measure appropriately in accordance with the plan.

3: Submission of a written report in a fixed period
- If total amount of refund is less than the amount of surcharge, reduction of the amount of surcharge is applied.
- If total amount of refund is more than the amount of surcharge, no payment order of a surcharge is applied.
Introducing new food labelling system

- In April 2015, the new food labelling system was introduced under the Food Labelling Act.
  1) Mandatory labelling for nutrition information of processed foods
  2) Changes of regulations in allergen information display
  3) Establishment of the system of "Foods with Function Claims" etc.
- 273 cases were reported to be registered as “foods with function claims” as of the end of FY 2015.

**Figure 4-3-4 Definitions of Foods with Function Claims**

- **Foods in General**
  - Any food labeled as a nutritional supplement, a health supplement, or a nutrient controlling food falls under this category.
  - *Cannot label a function claim
  - *Beneficial effects for maintaining and promoting health (ex. maintains good digestion)

- **Foods with Health Claims**
  - *Can label a function claim

- **Foods for Specified Health Uses**
  - Foods for Specified Health Uses (FOSHU) are scientifically recognized as helpful for maintaining and promoting health and are permitted to bear claims such as “Slows cholesterol absorption.” The government evaluates the claimed effects and safety, and the Secretary-General of the Consumer Affairs Agency gives approval for the labelling of each food product that satisfies the requirements.

- **Foods with Nutrient Function Claims**
  - Foods with Nutrient Function Claims (FNFC) can be used to supplement or complement the daily requirement of nutrients (vitamins, minerals, etc.) which tend to be insufficient in everyday diet. Given that the food product contains certain amounts of nutrient whose function has already been substantiated by scientific evidence, it can bear a nutrient function claim prescribed by the Standards without submitting a notification to the government.

- **Foods with Function Claims**
  - Under the food business operator’s own responsibility, Foods with Function Claims can be labeled with function claims based on scientific evidence. Information on the evidence supporting the safety and effectiveness of the product are submitted to the Secretary-General of the Consumer Affairs Agency before the product is marketed, However, unlike FOSHU, the product is not individually pre-approved by the Secretary-General of the Consumer Affairs Agency.

- **Pharmaceutical products**
- **Quasi-pharmaceutical products**
The bill to partially revise the Act on Specified Commercial Transactions was approved in the Cabinet and submitted to the Diet (March 4, 2016).

The following measures against dishonest businesses were introduced:

- Measures against businesses who act illegally by continually registering new corporations (Consolidation of the Order for prohibition of business); extension of business suspension period; strengthened authority for administrative investigations; strengthened criminal punishments.
- New provision for sending official notices to the illegal businesses whose whereabouts are unidentified.
- Consolidation of new provision for administrative actions to protect consumers’ interests.
- Regulations on “excessive sales” were extended to telemarketing sales other than door-to-door sales.

Regulating unfair sales, etc. by businesses in specified commercial transactions prone to consumer troubles such as door-to-door sales.

**Figure 4-4-1** Bill to partially revise the Act on Specified Commercial Transactions

1. **Measures against dishonest businesses**
   - Measures against businesses who act illegally by continually registering new corporations
   - New provision for sending official notices to the illegal businesses whose whereabouts are unidentified
   - Extension of business suspension period (max. 1y → 2y)
   - Strengthened authority for administrative investigations
   - Strengthened criminal punishments
   - Raising fines for corporate with misrepresentation, etc.
   - Longer imprisonment for businesses violating the Order for prohibition of business

2. **Measures against illegal businesses whose whereabouts are unidentified**
   - New provision for sending official notices to illegal businesses whose whereabouts are unidentified
   - Case image
     - Before: Official penalty notices sent to illegal businesses in writing
     - After Revision: Became possible to legally regard the submission of intent that official notices would be sent to the illegal businesses (whose whereabouts are unidentified) for a certain period of time as notices sent to the businesses.
     - *Cases such as website-only advertisements and order receipts, and where e-mail address(es) are the only contact details for
   - Enforcement planned within 18 months after promulgation

3. **Protection of consumers’ interests**
   - Consolidation of new provision for administrative actions to protect consumers’ interests
   - Clearly publicizing about new authority to order necessary measures to be taken to protect consumers’ interests to penalized businesses (ex. dishonest businesses who have been issued with business suspension orders).
   - Case image
     - Orders businesses with misrepresentation to notify consumers administrative disposition for misrepresentation was ordered, and to act appropriately (systematic refund, etc.) on existing consumers’ refund claims.

4. **Measures against excessive sales**
   - Restriction introduced for excessive telemarketing sales (extended interpretation of door-to-door sales rules)
   - Expanding regulated areas of door-to-door, mail order, and telemarketing sales (revision of designated rights)
   - Limiting restrictions of facsimile advertisements in mail order sales (extended interpretation of e-mail advertisement regulation)
   - Examples of “excessive sales”
     - Bedding (6 purchases in 4 months)
     - Cosmetics (purchase of 72 bottles of skin lotion and emulsion, 2,160 bags of powder)

5. **Miscellaneous**
   - *Cases such as website-only advertisements and order receipts, and where e-mail address(es) are the only contact details for.
Chapter 4, Section 4  Actualization of proper transactions

Revision of the Consumer Contract Act

- The bill to partially revise the Consumer Contract Act was approved in the Cabinet and submitted to the Diet (March 4, 2016).
- Consumer contracts of excessive contents are newly included as the ground for rescission.
- The contract clauses that forced consumers to waive their rights to cancel even in the case of default by business operators are void.

Figure 4-4-2  Bill to partially revise the Consumer Contract Act

Newly stipulated rescission of contract and nullity of contract clauses, etc., in consideration of the disparity of information and negotiating power between consumers and business operators

1. Rescission of Contract

- A consumer is able to rescind the contract that is agreed under any of the following actions by the business operator:
  1. Misrepresentation (concerning the important matter [= case related to the object of contract])
  2. Providing conclusive evaluation
  3. Intentionally omitting the disadvantageous facts
  4. Refusing to leave / obstructing to leave

- Rescission of contract with excessive contents (new ground for rescissions)

<Problems>

-Cases of damage where elderly people bought excessive amount of products as lowered ability of evaluation is exploited.
-Cases of damage due to misrepresentation about the matters not related to the object of contract (Ex. House collapsed due to termites underfloor)
-Cases of damage where exercising period of rescission have elapsed

<Revision>

- Expansion of areas of important matters
- Exercising-period extended (Short-term extended from 6 months to 1 year)
- Also stipulated the effects of rescissions.
- Also included a provision on consumer organization litigation system (injunction demand).

2. Nullity of Contract Clauses

- Clauses that unfairly harm the interests of consumers are void
  1. Clauses which exempt a business operator from liability for damages
  2. Clauses that stipulate the amount of damages to be paid by consumers
  3. Clauses that impair the interests of consumers unilaterally

<Problems>

- Existence of clauses that rule out consumers’ right of cancellation (= continue to pay balance even for a defective product) (Ex. “cannot be cancelled under any circumstances”)

<Revision>

- The clause stipulating that consumers’ right to cancel waivered even in case of default by business operators (= counter clause added to nullify this article)
- Examples added to Article 10

Supreme court: The above Article 10 includes not only the stipulated provision but also the principle of law, etc.
- Also removed the clause "pursuant to the provisions of the Civil Code."
- Enforcement planned on the day after one year from promulgation

etc.
Chapter 4, Section 5  Formation of a society in which consumers can make a choice and take action by themselves

CAA’s work towards achieving a sustainable society in which consumers’ rights are respected

- Conventional consumer administration tended to concentrate on the development and enforcement of various laws and enhancing the consultation systems to help the consumers in preventing / relief for damage and ensuring safety.
- In the future, the consumer administration with means that cooperates and collaborates with consumers and businesses is also needed to realize a better, sustainable society.
- CAA is running assessments to promote initiatives on ethical consumption by consumers (Note 1) and consumer-oriented management by the businesses (Note 2).

(Note 1) “Ethical consumption”: is consumption where consumers make purchase products and services while considering social issues such as environment, recovery of disaster-hit regions, and better living for workers in developing countries.

(Note 2) “Consumer-oriented management” is where businesses:
• put ensuring of consumer’s rights and increase of interests as the heart of their operations, from the general consumers’ viewpoints.
• gain consumers’ trust as providers of sound market through ensuring consumer safety and fairness of trade, and providing information necessary for consumers.
• operate business while being aware of their own social responsibilities, working towards creating a sustainable and desirable society.
Chapter 4, Section 6
Establishment of frameworks for consumer relief system and protecting their interests

Enforcement of the Act on Special Measures Concerning Civil Court Proceedings for the Collective Redress for Property Damage Incurred by Consumers

- The Act on Special Measures Concerning Civil Court Proceedings for the Collective Redress for Property Damage Incurred by Consumers will come into effect (October 1, 2016) to assist the collective recovery of the damages that commonly occurred to a considerable number of consumers.
- A Specified Qualified Consumer Organization (see Note) will act as the plaintiff to proceed with the two-stage litigation system.

Figure 4-6-1 Two-stage litigation system

First-stage proceedings (Litigation Seeking Declaratory Judgment on Common Obligations)
- A declaratory judgment is made on common obligations of the Business Operator

Second-stage proceedings (Proceedings for determining the Target Claims)
- Determine how much money should be paid to whom

Organization = Specified Qualified Consumer Organization

(Note) Specified Qualified Consumer Organizations are qualified consumer organizations (14 organizations as of April 2016) certified by the Prime Minister as those capable of proper performance on the court proceedings for consumer damage recovery.
Work of Cross-border Consumer Center Japan and its overseas collaborations

- Cross-border Consumer Center Japan (CCJ) is implementing measures to assist in solving problems between the consumers in Japan and businesses outside Japan, and the consumers outside Japan and businesses in Japan.
- CCJ, which is responsible for consultations on cross-border trade, was transferred from CAA to the National Consumer Affairs Center of Japan in FY2015 and constantly responds to consultations.
- There were 4,299 cases of consultations on cross-border trade in FY2015 and this was an increase of 231 cases compared with the previous fiscal year.
- CAA is increasing the number of overseas organizations with which CCJ works and is strengthening ties between CCJ and them and in FY 2015, CCJ’s affiliated overseas organizations have increased to 8.

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**Figure 4-6-4** How CCJ responds to consultations

![Diagram showing the process of how CCJ responds to consultations](image)

**Figure 4-6-5** Affiliated Overseas Organizations of the Cross-Border Consumer Center Japan (CCJ)

<table>
<thead>
<tr>
<th>Countries/Regions</th>
<th>Organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA, Canada</td>
<td>CBBB (The Council of Better Business Bureaus)</td>
</tr>
<tr>
<td>South Korea</td>
<td>Korea Consumer Agency</td>
</tr>
<tr>
<td>Taiwan</td>
<td>SOSA (Secure Online Shopping Association)</td>
</tr>
<tr>
<td>Singapore</td>
<td>Consumer Association of Singapore</td>
</tr>
<tr>
<td>Vietnam</td>
<td>EcomViet (Vietnam E-commerce Development Center)</td>
</tr>
<tr>
<td>Spain</td>
<td>IusMediare (Instituto Internacional de Derecho y Mediación, SL)</td>
</tr>
<tr>
<td>Russia</td>
<td>Center for Mediation and Law (Scientific and Methodological Center for Mediation and Law)</td>
</tr>
<tr>
<td>10 Latin American Countries (note)</td>
<td>Instituto Latinoamericano de Comercio Electronico</td>
</tr>
</tbody>
</table>

(Note) - Argentina, Brazil, Colombia, Venezuela, Ecuador, Peru, Paraguay, Mexico, Chile, Dominican Republic
Part 2 Implementation of consumer policy

Part 2 focuses on the results of policies implemented in FY2015, including those carried out by related ministries.

Chapter 1 Ensuring of the safety of consumers
Section 1 Working towards accident prevention
Section 2 Information collection of consumer accidents & preventing their occurrence/spread
Section 3 Accurate and quick cause investigations of accidents & preventing reoccurrence
Section 4 Ensuring food safety

Chapter 2 Enhancement of labelling and ensuring of trust
Section 1 Raising public awareness about the Act against Unjustifiable Premiums and Misleading Representations, and its strict enforcement
Section 2 Familiarizing & improving fair labelling of products and services
Section 3 Providing accurate information in food labelling, and strict enforcement of related laws and regulations

Chapter 3 Actualization of proper transactions
Section 1 Strict enforcement & revisions of cross-products/services laws and regulations
Section 2 Fair purchases of products and services
Section 3 Fair purchases meeting the advancement of ICT
Section 4 Preventing and cracking down on crime including fraud
Section 5 Appropriate standards & measurements

Chapter 4 Formation of a society in which consumers can make a choice and take action by themselves
Section 1 Ensuring transparency in consumer policies and reflecting consumer opinions
Section 2 Promoting consumer education
Section 3 Facilitating voluntary efforts by consumer groups, businesses and their associations
Section 4 Fair & free competition and policies to promote fair utility rates
Section 5 Promoting environmentally conscious consumption behavior and business activities

Chapter 5 Establishment of frameworks for consumer relief system and protecting their interests
Section 1 Consumer relief and facilitating the resolution of consumer complaints and disputes
Section 2 Protecting and Promoting consumers’ interests meeting the development of an advanced information and communication society
Section 3 Protecting and Promoting consumer interest adapted to globalization of consumer life

Chapter 6 Establishment of the consumer administration systems of the national and local governments
Section 1 Enhancing and strengthening administrative organization by the state (including independent administrative agencies)
Section 2 Structural development at local level