Door to Society

• Ability to conclude a contract in your name
• Ability to use the Consumer Affairs Center
• Knowledge that consumer action can change society

Become an independent consumer through 12 quizzes

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Look at the town, and try the quiz!
Try these quizzes to become an independent consumer.

Q1 When is the contract concluded when shopping in a store?
1. When you receive the product.
2. When you make the payment.
3. When the store staff member says, “OK, I got your order.”

Q2 I bought a product in a store, but I did not use it and do not need it anymore. Can I cancel this contract?
1. You cannot cancel it.
2. You can cancel it within a week if you have a receipt.
3. You can cancel it if you have not opened the product package.

Q3 Can you claim damages when a product causes an accident?
1. You cannot claim damages.
2. You can demand only the price of the product.
3. If it is caused by the product defect, you can claim damages extensively, including medical expenses.

Q4 Which number should you call when you want advice on consumer affairs?
1. Consumer Hotline 118
2. Consumer Hotline 188
3. Consumer Hotline 189

Q5 I borrowed 200,000 yen from a financial institution at the annual interest rate of 17% to go to a driving school. If I pay back 5,000 yen every month, how much will I pay back in total?
1. Approximately 230,000 yen
2. Approximately 260,000 yen
3. Approximately 290,000 yen

Q6 Is there any investment that makes profits for sure?
1. There is no investment that makes profits for sure.
2. An investment using the pyramid scheme makes profits for sure.
3. Experts know how to make profits for sure.

Q7 There are many shops and companies you didn’t notice!

Q8 When is the contract concluded when shopping in a store?
1. When you receive the product.
2. When you make the payment.
3. When the store staff member says, “OK, I got your order.”

Q9 Can you claim damages when a product causes an accident?
1. You cannot claim damages.
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Q10 Which number should you call when you want advice on consumer affairs?
1. Consumer Hotline 118
2. Consumer Hotline 188
3. Consumer Hotline 189

Q11 I bought a product in a store, but I did not use it and do not need it anymore. Can I cancel this contract?
1. You cannot cancel it.
2. You can cancel it within a week if you have a receipt.
3. You can cancel it if you have not opened the product package.

Q12 Can you claim damages when a product causes an accident?
1. You cannot claim damages.
2. You can demand only the price of the product.
3. If it is caused by the product defect, you can claim damages extensively, including medical expenses.

Quiz answers: Q1→P3, Q2→P4, Q3→P4, Q4→P5, Q5→P6, Q6→P7, Q7→P8, Q8→P8, Q9→P9, Q10→P9, Q11→P10, Q12→P11
We are all consumers. Actions of each consumer have a large impact on society and economy. What can you do for Consumer Civil Society where consumers play a key role and live well?

**Q3** A 17-year-old high school student bought a cosmetic set for 100,000 yen without telling her parents. Can this contract be rescinded?

1. It cannot be rescinded.
2. It can be rescinded because it was concluded by a minor.
3. It can be rescinded only when her parents request rescission.

**Q4** I was stopped on the street and solicited to visit an exhibition and buy a painting for 100,000 yen. I could not refuse it. Can I use the cooling-off system for this contract?

1. You can use the cooling-off system if the business operator lied to you while soliciting.
2. You can use the cooling-off system if you have not used the product (hanged the painting).
3. You can use the cooling-off system within eight days from the date of purchase.

**Q5** I bought a T-shirt online, but it does not suit me. Can I use the cooling-off system for this contract?

1. You cannot use the cooling-off system.
2. You can use the cooling-off system within 14 days from the date of purchase.
3. You can use the cooling-off system if you have not received the product.

**Q6** Which payment method allows you to pay after the purchase?

1. Buying with a debit card.
2. Buying with a credit card.
3. Buying with a prepaid card.

**Q7** Among the credit card payment methods, which one is likely to make you lose count of the balance?

1. Payment in 36 installments
2. Revolving payment
3. One-time bonus payment

**Q12** What will you do if you have a consumer problem?

1. I will be patient and will not do anything.
2. I will write slander toward the business operator online.
3. I will consult the Consumer Affairs Center or the business operator* (customer service).

*Sometimes called a "company" or "seller": specifically, it refers to a seller, manufacturer, or a financial institution (credit company and others).
When is the contract concluded when shopping in a store?

3. **When the store staff member says, “OK, I got your order.”**

A contract is concluded when the consumer and the business operator agree on the contract contents, such as product, price, and delivery date. This means that an oral promise is enough to conclude a contract. Contract documents and seals/signatures are used as proof.

**Work 1**

When you conclude a contract for each of the above items, what kind of information should you collect to choose a product/service? What rights and duties will the contract give to the consumer and the business operator?

(Hint) Where can you get information on a product/service? For example, you might look at the package to choose a product (see the example of the pudding labelling above). And what do you expect from the product/service? Imagine how you would conclude a contract.
I bought a product in a store, but I did not use it and do not need it anymore. Can I cancel this contract?

You cannot cancel it. A contract is a “promise with legal responsibility” and is, therefore, legally binding.

Work 2 Why do we need to fulfill the contract once we conclude it? (Hint) Think from the viewpoint of both consumers and business operators.

Rescind a contract concluded by a minor

A 17-year-old high school student bought a cosmetic set for 100,000 yen without telling her parents. Can this contract be rescinded?

It can be rescinded because it was concluded by a minor.

- When a minor with little life experience concludes a contract without the consent of a legal representative (guardians such as parents), the contract can be rescinded.
- The contract concluded by a minor can be rescinded by the minor or the legal representative.
- By rescinding the contract, the minor returns the received product (if any) to the business operator and gets back the paid money (if any).

*However, contracts concluded by minors cannot be rescinded if the contract amount is within the limit of their allowance, or if they actively lied that they were adults or that they had consent of their legal representative.

Contracts concluded by minors and consumer damage

Business operators do not want the contract to be rescinded because it was concluded by a minor. Malicious business operators therefore target consumers who recently became adult.
I was stopped on the street and solicited to visit an exhibition and buy a painting for 100,000 yen. I could not refuse it. Can I use the cooling-off system for this contract?

3. You can use the cooling-off system within eight days from the date of purchase.

- Contracts must be fulfilled in principle, but transactions that are likely to cause problems for consumers can be cancelled through the “cooling-off” system (Act on Specified Commercial Transactions).
- The cooling-off system allows the consumer to return the received product to the business operator and get back the paid money in full.
- For more information, search National Consumer Affairs Center Cooling-off

Sales methods that often cause problems for young consumers and cooling-off periods

<table>
<thead>
<tr>
<th>Sales method</th>
<th>Characteristics</th>
<th>Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Door-to-door sales, street solicitation(^1), appointment sales(^2)</td>
<td>Consumers are solicited unexpectedly (sales person suddenly coming to the door, suddenly being stopped on the street(^1), suddenly receiving a call for an appointment(^2)).</td>
<td>8 days</td>
</tr>
<tr>
<td>Continuous services</td>
<td>Seven kinds of services, including a language school, a beauty salon, a private tutor and a cramming school. The cooling-off system can be used even when you went to the store yourself and concluded a contract.</td>
<td>8 days</td>
</tr>
<tr>
<td>Multilevel marketing transactions (also called a pyramid scheme or networking business)</td>
<td>Friends and acquaintances invite you, saying that it allows you to earn money quickly and receive incentives by introducing it to other people. Under various pretexts, you will be asked to pay money.</td>
<td>20 days</td>
</tr>
</tbody>
</table>

Work 3  Why does the law stipulate the cooling-off system for the above transactions?  
(Hint) Think about the situation of the consumer in Q4 and the characteristics in the above table.

Can you cancel a contract when the cooling-off system cannot be used?

- When a business operator said what is not true.
- When a business operator explained only the advantages and omitted the disadvantages.
- When a sales person continued to solicit despite being told to leave.
- When a sales staff prevented you from leaving the store and continued to solicit.

Contracts concluded in such situations can be rescinded in accordance with the Consumer Contract Act.

[Advanced 1] Fill in the blank ________ and discuss the situations consumers are in.

The Consumer Contract Act is a rule that focuses on a ________ in the quality and quantity of information and on the negotiating power between consumers and business operators.
Pitfalls of the cooling-off system –In case of online shopping–
(also called e-shopping or e-commerce (EC))

I bought a T-shirt online, but it does not suit me. Can I use the cooling-off system for this contract?

① You cannot use the cooling-off system.

• There is no legal cooling-off system for online shopping.
• However, each online shop has its own rules and conditions regarding the return.
• Always check the return rules (terms of use) before placing an order.

Beware of online shops!

You may get these problems

URL is not natural
(different from the URL of the website you want to buy from)

The address is incomplete

Only the e-mail address is provided; no telephone number

Example of a suspicious online shop

(In other cases...)

• Fake products
• The price is extremely discounted
• You can only pay by bank transfer
• There are unnatural expressions that seem to be machine translated

Fake contact information

I paid the money, but I don’t receive the product!

In other cases...

Invoice: You have purchased a subscription

The address is incomplete

Only the e-mail address is provided; no telephone number

Outdated fonts that are not usually used are included

False billing, unfair billing

• There was no confirmation page, and I was registered and billed right away.
• I was billed only by clicking an image or age verification button.

Measures
Do not pay. Do not contact.
• If you contact, the malicious business operator will ask you to pay money persistently.
• As long as you do not reveal (input) your information online by yourself, they cannot identify who you are.

If you have an online shopping problem, call the Consumer Affairs Center. (☎188)

(The phone number is available in Japanese only.)
Which payment method allows you to pay after the purchase?

2. Buying with a credit card.

- The card company makes a payment to the sales shop. The consumer gets the product first and makes a payment to the card company in a single or multiple installments before the payment deadline.
- The consumer must prepare the money before the payment deadline.

Credit card payment methods and fees

<table>
<thead>
<tr>
<th>Payment method</th>
<th>Commission fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single payment (full payment, monthly clearance)</td>
<td>Pay the price at once</td>
</tr>
<tr>
<td>Installment payment</td>
<td>Pay the price in multiple monthly installments</td>
</tr>
<tr>
<td>Revolving payment</td>
<td>Pay a fixed amount of money or a fixed percentage of the balance every month. The number of installments is not fixed.</td>
</tr>
</tbody>
</table>

Work 4

1. Think about the advantages and disadvantages of using a credit card from the viewpoint of consumers, sales shops and card companies.
2. Who owns the product purchased with a credit card until the payment is made to the card company?
3. How did the spread of credit cards affect the consumer lifestyle?
(Hint) Refer to the above diagram of the credit card system. Think about how it relates to the spread of the Internet.
Among the credit card payment methods, which one is likely to make you lose count of the balance?

2 Revolving payment

- Revolving payment allows you to pay a fixed amount or a fixed percentage of the balance every month. However, the payment may extend over a long time, and commission fees pile up, increasing the total payment.
- A regular payment continues every month in revolving payment, and you might lose count of the balance.

I borrowed 200,000 yen from a financial institution at the annual interest rate of 17% to go to a driving school. If I pay back 5,000 yen every month, how much will I pay back in total?

3 Approximately 290,000 yen (repayment will complete in 60 months (5 years))

- Money borrowed from a financial institution must be paid back with interest.
- Interest = Borrowed amount (principal) x Annual interest rate x Borrowing period
- The interest is charged on the balance after paying back the fixed amount every month. Therefore, if you pay back bit by bit, the repayment period becomes longer and the total repayment amount increases.
- Scholarship loans (which require repayment) and housing loans are also debts. Before borrowing money, always check the repayment plan proposed by the financial institution and think about how you will pay back after using that money.

Multiple debts

By borrowing money repeatedly from multiple financial institutions, debts accumulate, and the repayment becomes difficult.

If you have a credit or debt problem, call the Consumer Affairs Center. (☎ 188)

You will be directed to an appropriate service.
(The phone number is available in Japanese only.)
Money for future

<table>
<thead>
<tr>
<th>Save</th>
<th>Prepare for the future</th>
<th>Manage (invest)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Savings account</td>
<td>Life insurance, casualty insurance</td>
<td>Stocks, bonds, etc.</td>
</tr>
</tbody>
</table>

Is there any investment that makes profits for sure?

1. **There is no investment that makes profits for sure.**
   - There are financial products that guarantee the principal and those that do not.
   - Generally, the higher the profits are, the higher the risks will be. Some financial products may cause you losses that exceed the principal.
   - There are various financial products, but do not buy them if you cannot understand their system or risks.
   - Learn about the risks well before making an investment.

If you have questions about financial products, call the Consumer Affairs Center. (188)
(The phone number is available in Japanese only.)

Let's learn about safety in everyday life!

If you find a dangerous product/service, call the Consumer Affairs Center. (188)
(The phone number is available in Japanese only.)

Work 6
If the accidents illustrated above occur, how should consumers react? Discuss with people around you.

(Hint) In case of an accident such as physical injury and fire, who should you contact first and how should you react?
And who should you contact to claim damages caused to you and prevent the accident from happening again?

Can you claim damages when a product causes an accident?

3. **If it is caused by the product defect, you can claim damages extensively, including medical expenses.**

Check product accidents and recall information
(Consumer Affairs Agency website)

Q9 & A9

Save
Prepare for the future
Manage (invest)

Savings account
Life insurance, casualty insurance
Stocks, bonds, etc.

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Q10 & A10

Eye injury due to colored contact lenses
Smoke and ignition from smartphone chargers
Burns due to hair removal

Wow!

Money can also be saved, used to prepare for the future, or managed (invested).
Let’s learn about the Consumer Affairs Center!

**Q11 & All**

**Which number should you call when you want advice on consumer affairs?**

→ **Consumer Hotline 188**

(The phone number is available in Japanese only.)

**Also available on Saturdays, Sundays and holidays.**

**Consumer Affairs Center**

About 800 Consumer Affairs Centers are located across Japan and managed by local governments.

**Whom can I consult?**

A: You can consult nationally certified Consumer Affairs Consultants and other staff with expert knowledge and technology.

**What can the Consumer Affairs Consultants do?**

A: In accordance with laws related to consumer affairs, they can give you advice on solving the problem and mediate between you and the business operator to help you recover the damages.

**Will my secrets be kept confidential?**

A: We have the duty of confidentiality, so your information will be kept confidential and not be revealed.

**Work 7**

Visit the Consumer Affairs Center near you to learn more about damages suffered by consumers and talk to Consumer Affairs Consultants.

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A friend invited me to a meal and told me he’s making a lot of money with a networking business, so I signed a contract…

Let’s make your story into a letter and tell the business operator that you want to cancel the contract. Can you come to the Consumer Affairs Center?

Alright, I will cancel the contract.

I will tell my friend to consult the Consumer Affairs Center, too.

I got my money back!

Based on the letter of request sent by the consumer, the Consumer Affairs Consultant and the business operator may hold a meeting.

If you have a problem, call the Consumer Affairs Center, even after the cooling-off period. (☎188)

(The phone number is available in Japanese only.)
Your action changes society!

In a "Consumer Civil Society" where consumers play a key role, consumers are expected to change society by taking actions. Let's think about your own actions as a member of a Consumer Civil Society.

What will you do if you have a consumer problem?

1. I will consult the Consumer Affairs Center or the business operator (customer service).

Work 8
Refer to the following diagram and think about the significance of consulting the Consumer Affairs Center or the business operator (customer service).

Consumer problem!

Do not take action

Take action

Give up

Consult

Consult after receiving advice

Consult the Consumer Affairs Center

Consult the business operator (Customer Service)

Give advice or mediate to solve the problem

Problem is solved

Inappropriate transactions/representations and unsafe products/services are improved

Sound business operators foster, increasing the number of good-quality, safe products/services

Positive actions by consumers create a safe, worry-free society

Realize Consumer Civil Society

Unfair transactions and product accidents continue

Unfair transactions, troubles and damages spread

Have a contract-related problem

Have a product/service accident

Problem is solved

National Consumer Affairs Center of Japan
Collect, analyze, and provide consumer affairs information received at Consumer Affairs Centers across Japan

*Information also comes in from other consumers...

The state (Consumer Affairs Agency or related ministries) or prefectures take action!

☐ Order the suspension of business to business operators engaged in illegal practices
☐ Order the legal representation against business operators whose representation is illegal

Develop laws