The Star - 14 September 2006 IS it being gullible or merely being stupid? Perhaps it is greed that turns people into naive fools who become victims of scams like the "scratch and win" contests? Domestic Trade and Consumer Affairs Ministry's Consumer Claims Tribunal chairman Rungit Singh tells BAVANI M and YIP YOKE TENG why such incidences occur. DESPITE widespread publicity, city folks still fall prey to scams, the most common one being the "scratch and win" contests. Working executives, housewives, old folks and even professionals have spent thousands of ringgit on products they did not want. These "contests" come in different forms - scratching a card, opening a coupon or picking an envelope - and each offers "fabulous" prizes. Some come in the form of letters, calls or in the form of Short Messaging System (SMS), alerting "lucky winners" to pick up their gifts. Consumers are invited to the organisers' offices and shown the prizes. However, there is a catch. They have to buy something to get them. And, according to reports some have lost more than RM30, 000 in such schemes. Domestic Trade and Consumer Affairs Ministry's Consumer Claims Tribunal chairman Rungit Singh said thousands had been duped in such scams. They all felt it was too good to be true at the time, he said. "The tricksters play on people's greedy, get-rich-quick and 'I am blessed' feelings," said Rungit Singh. "The reality is no one is going to show up at your door step to offer you a brand new car on a silver platter - just like that." Rungit Singh said the products were usually water filters, air purifiers and sauna systems, all of which were of low quality. "They are worth only about RM700 to RM800 but are sold for RM3,000," he said, adding that the companies would claim that they made so much in profits and wanted consumers to benefit from the successes. <table border="0" cellpadding="7" width="314" align="center"><tr><td> </td></tr></table> Some, said Rungit Singh, would claim that it was the company's anniversary, hence the "generous" offer. "Yet others would resort to play-acting, such as jumping for joy when a customer picks the winning card, heartily congratulating the winner saying that they would be getting a commission too," he said. "And, of course they would back up their claims with photocopies of newspaper clippings showing past winners." Rungit Singh advised those who had fallen prey to such scams to file a claim with the tribunal, which has branches nationwide. "The victim would have to fill up a few forms and pay a fee of RM5," he said. "A court hearing date would be set. He or she then has to serve the form to the company that duped them. "If a company representative does not turn up for the hearing, the tribunal will give it an order to refund the money." <table border="0" cellpadding="7" width="264" align="center"><tr><td> </td></tr></table> The tribunal is an independent body established under the Consumer Protection Act 1999 with the primary function of hearing and determining claims lodged by consumers. It provides an alternative channel, apart from the courts, for consumers to claim for any loss suffered in a less cumbersome and speedy manner - and at minimal cost! "If the company is found to be in the wrong after the hearing, it will be ordered to reimburse. A report will also be forwarded to the Domestic Trader and Consumer Affairs Ministry to withhold the company's selling licence," said Rungit Singh. According to him, scratch-and-win scams have reached

alarming heights. Last year, they formed the greatest number of cases taken to the tribunal nationwide, with 1,571 cases pending.&#65533; This is also the third-largest category of complaints at the National Consumer Complaints Centre, with 1,066 lodged, while the number of unreported cases is estimated to be in the tens of thousands.&#65533; There were also 241 police reports lodged nationwide on scratch-and-win tricks last year. &#65533; "There are about 68 such companies operating in Malaysia and which were blacklisted last year," said Rungit Singh. "Once they are caught, their modus operandi is to move out and set up shop elsewhere under a different name," he said. &#65533; Rungit said that 90% of the cases brought to the tribunal were either settled amicably between both parties or withdrawn. &#65533; "The remaining 10% will be liable to a fine not exceeding RM5,000 or to imprisonment for a term not exceeding two years or both," he said. &#65533; Rungit advised victims to not open the products. &#65533; "Do not compromise your position by using the products as that would mean that you have accepted it," he said, adding that consumers had a time period of three years from the date of purchase to file their claims. &#65533; In Federal Territory and Selangor, the tribunal's branches are located at The Mall shopping centre, Federal Administrative Centre, Putrajaya and PKNS Complex in Shah Alam. &#65533; The ministry can be reached at 1800-886-800 while the tribunal can be contacted at 1800-88-9811.&#65533;