



# NCAC NEWS

*From*  
**National Consumer Affairs Center of Japan**  
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\* For further details regarding each topic introduced below, refer to the following URL which contains the actual text of the reports released (PDF files) (Japanese only) :<http://www.kokusen.go.jp/news/news.html>

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\* Major abbreviated names: ADR: Alternative Dispute Resolution  
NCAC: National Consumer Affairs Center of Japan  
PIO-NET: Practical Living Information Online Network System

## I. Injury/fatal accident

### 1. Be careful with Laundry Detergent Capsules/Packets! Infants and toddlers three years old and younger especially prone to accidents

Laundry detergent capsules (also called packets) are a new type of laundry detergent that have been manufactured and sold in Japan in recent years. While convenient because they eliminate the need to measure detergent, such capsules use a film that can easily burst, causing detergent to squirt into a person's mouth, eyes, etc., according to accident reports received by the Consumer Affairs Agency. Infants and toddlers three years old and younger have been especially prone to injury. In many cases, the capsules' water-soluble film has burst as children have played with the capsules using their hands and mouth.

Similar accidents involving laundry detergent capsules have been reported overseas in great numbers as well.

Please exercise caution when using such capsules by storing them out of reach of children.

Note: This report is being issued as part of the OECD's Global Awareness-raising Campaign on Laundry Detergent Capsules/Packets (March 16-23, 2015) involving the European Commission and 21 nations. More than 16,000 cases of exposure to chemicals contained in laundry detergent capsules are reported annually worldwide. The campaign aims to raise global awareness regarding the safe use and storage of laundry detergent capsules.

### **About laundry detergent capsules**

Laundry detergent capsules sold in Japan typically contain a neutral concentrated liquid detergent packaged in a water-soluble film that makes them soft to the touch.

Photo 1. Typical laundry detergent capsules



Toddler (three years old) holding a detergent capsule

### **Typical accidents**

#### Case 1:

A toddler swallowed a capsule of detergent while playing with it. He had taken the capsule from a box that was stored on a shelf about one meter high. The toddler's mother used her finger to induce vomiting, got him milk to drink, and then took him to the hospital. (male toddler, one year old)

#### Case 2:

The product capsules had started sticking to one another. Whenever I needed to use one, I would separate it from the others. Once, as I was separating a capsule as usual, the film burst and detergent got in my eye. I saw an eye doctor and recovered for the most part after a week. (woman in her 90s)

### **Summary of accident reports received by the Consumer Affairs Agency**

The kind of laundry detergent capsules typically sold in Japan first went on sale in April 2014. Between then and January 31, 2015, the Consumer Affairs Agency has received a total of 152 accident reports. These include 13 incidents from the Accident Information Data Bank,<sup>\*1</sup> six incidents from the Medical Facilities Network,<sup>\*2</sup> 130 incidents from manufacturers (including 102 incidents reported to the Japan Poison Information Center), and three incidents from the Japan Pediatric Society Committee on Improving the Living Environments of Children's "Injury Alert."

The breakdown of accident reports received by the Consumer Affairs Agency is shown in Diagram 1 and Diagram 2. In terms of age, the 110 cases involving infants and toddlers (three years old and younger) represent the vast majority (72.4%). In nearly all cases, detergent got into the person's mouth and eyes because the film burst.

Diagram 1. Accident reports by age

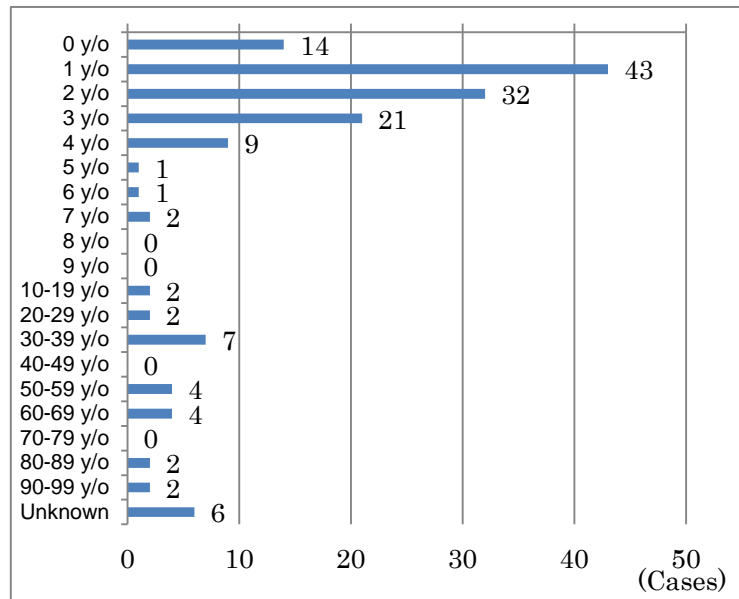
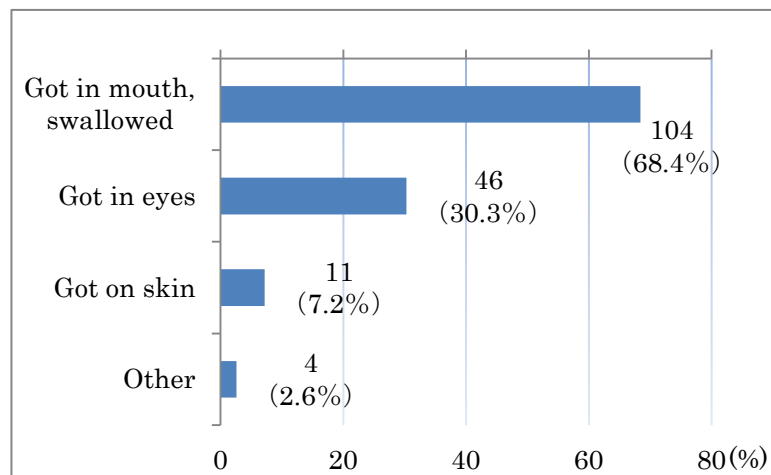


Diagram 2. Accident reports by injury/affected area (includes duplicates)



- \*1 The Accident Information Data Bank is a database system operated jointly by the Consumer Affairs Agency and the National Consumer Affairs Center of Japan (NCAC). It collects wide-ranging information on accidents and hazards from affiliated organizations in order to prevent further accidents. (Operations launched April 2010)
- \*2 The Medical Facilities Network is a joint program of the Consumer Affairs Agency and NCAC. It collects consumer-related accident information from participating medical facilities (24 facilities as of March 2015) in order to prevent the recurrence of accidents. (Operations launched December 2010)

**NCAC test results**

Detergent capsules sold in Japan typically use a special water-soluble film that is strong enough to resist easy bursting yet which starts dissolving with minimal water and dissolves completely by the end of a wash cycle.

Because the film is water-soluble, care must be exercised not to handle the capsules with wet hands or store them in hot, humid areas.

At the same time, consumers have complained about children putting the capsules in their mouths and about

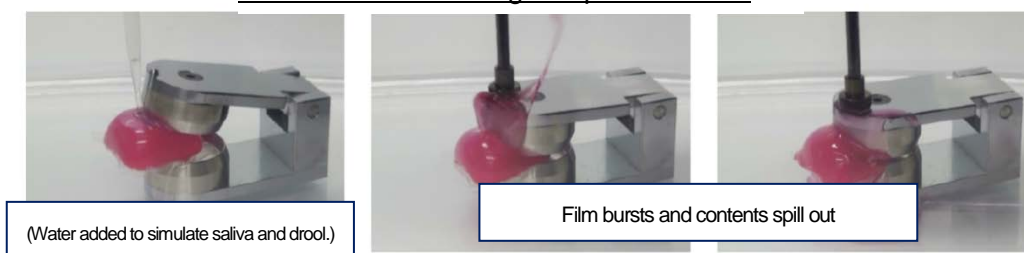
capsules sticking together. Accordingly, we tested the capsules to understand what happens to them when a child puts one in his or her mouth or when the capsules stick together.

(1) The film can burst when a child puts the capsule in his or her mouth

(i) When a child grabs and holds a capsule in his or her mouth and bites down...

We simulated biting on a capsule using a "bite test device," a device normally used to check whether an infant or toddler can chew through or tear open a toy with its mouth.\*<sup>3</sup> We placed a detergent capsule in the bite device and simulated saliva and drool by pouring water over it (approximately 0.5g of water, with approximately 0.1g making contact with the detergent). We then quickly (5-7 seconds after) applied pressure (6N (0.6kgf)), which caused the film to burst and the liquid detergent (chemicals contained) to spill out (see Photo 2). Note that similar pressure (4N (0.4kgf)) was sufficient to flatten tofu.

Photo 2. Simulated biting of capsule in mouth



(ii) When a child squeezes a capsule after grabbing and holding it in his or her mouth...

To simulate a child who squeezes a detergent capsule after putting it in his or her mouth, our adult monitors (10 adults, including five men and five women) gently squeezed a capsule with wet hands to see if the film would burst and the contents spill out (hands were sprayed with approximately 0.5g of water, with approximately 0.1g making contact with the detergent when gripped gently). The 10 monitors each held a capsule with wet hands for 20-30 seconds and then squeezed it. Every monitor reported that the capsule "broke easily" or "broke very easily, demonstrating that the film would burst and the contents squirt out (see Photo 3).

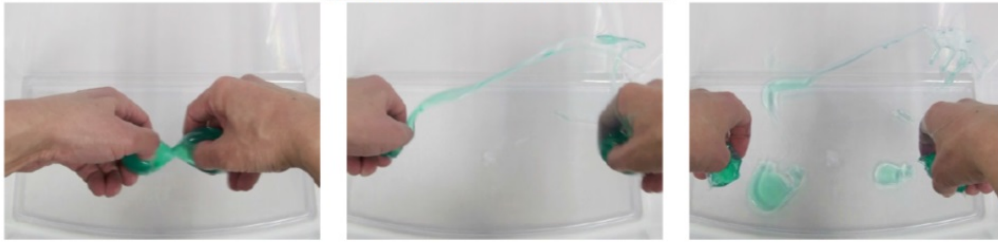
Photo 3. Simulated squeezing of capsule after putting it in mouth



(2) When stored wet, detergent capsules can become stuck together. Attempting to separate the capsules can cause them to burst and spill their contents

One capsule was sprayed with water (approximately 0.5g of water, with approximately 0.1g making contact with the detergent) and returned to its box for one night (12+ hours). As the capsule dried, it became stuck to other capsules that it was touching. Moreover, attempting to separate the capsules caused the film on some to burst and the contents to squirt out (see Photo 4).

Photo 4. Attempting to separate capsules that were stuck together caused the contents to squirt out



\*3 Toy Safety Standard (ST-2012, The Japan Toy Association)

#### Video

Low-resolution video

[http://www.kokusen.go.jp/douga/20150318\\_1\\_news/n-20150318\\_1\\_low.html](http://www.kokusen.go.jp/douga/20150318_1_news/n-20150318_1_low.html)

High-resolution video

[http://www.kokusen.go.jp/douga/20150318\\_1\\_news/n-20150318\\_1\\_high.html](http://www.kokusen.go.jp/douga/20150318_1_news/n-20150318_1_high.html)

#### Advice for Consumers

- (1) Be sure to store detergent out of reach of children.
- (2) Make a habit of firmly closing the container lid after use and returning the box to where it belongs.
- (3) Be careful not to let detergent capsules get wet.

## II. Property damage

### 1. Inquiries and complaints about adult websites exceed 100,000 for the year!

In recent years, adult websites have topped the list of inquiries and complaints received by local consumer centers across Japan, as a review of inquiries and complaints by products/services shows. In fiscal 2014, the number of cases exceeded 100,000, reaching a new record high.

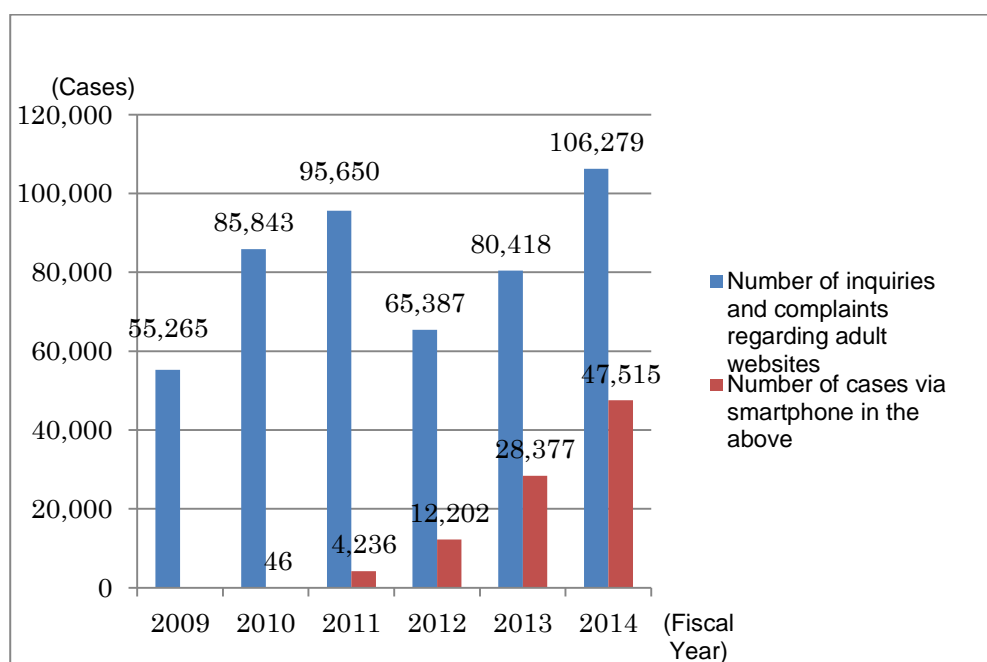
As a review of these inquiries and complaints shows, many of them were received without payments being made to the business (e.g. "I was viewing a site and had no idea it was a paid site when a screen suddenly popped up asking for payment. Am I obligated to pay?"). At the same time, a noticeable number of consumers have recently encountered troubles after viewing such sites on a smartphone, with actual damage occurring in more than a few cases (e.g. "When I called the business on the phone, they insisted that I pay. I got flustered and ended up paying").

Accordingly, to prevent further spread of such troubles, we are providing examples of the most recent such inquiries and complaints as a warning to consumers to exercise caution.

#### Regarding the number of inquiries and complaints, etc. on PIO-NET.\*4

An extremely large number of inquiries and complaints are received every year regarding adult websites. In fiscal 2014, the number reached a new record high of 106,279 cases.

Diagram 3. Number of inquiries and complaints regarding adult websites



\*4 PIO-NET (Practical Living Information Online Network System) connects NCAC and local consumer centers across Japan, etc. through an online database of information on consumer-related inquiries and complaints. This information on the number of inquiries and complaints was compiled with data registered through April 7, 2015 and excludes unclear cases, etc.

### Sample cases of inquiries and complaints

**Case 1:** I was charged over and over by a business for using an adult site and ended up paying a large sum of money. (woman in her 30s)

**Case 2:** I was trying to view a singer's video on my tablet device and they registered me on an adult website. (man in his 60s)

**Case 3:** I was viewing an adult website when a payment screen popped up at the same time a shutter clicked. (male in his 10s)

### Advice for consumers

#### (1) Do not access an adult website carelessly, even if it claims to be free, as you may still be charged.

Even when the words "free" are included in your search, it is not necessarily the case that all the sites will be free of charge. You may also find yourself redirected to an adult website from another site, advertisement, etc.

It is unlikely that a user would be registered immediately on a paid site with just a single click, etc. Rather, it appears most often to be the case that a site is a paid site when it displays a screen that requests the user's consent to something like a user agreement, when it has "yes" and "no" buttons, or when the user is forced to push the playback button multiple times.

#### (2) Never contact the business

When a payment page is displayed on the screen, a user's IP address, smartphone identification number, etc. may also be displayed, but this does not mean that a business has personally identifying information about the consumer, such as their name, home address, and contact information.



Payment screens, etc. present users with buttons like "cancel your membership" and "if you landed on this page by mistake, click here." If you click on such buttons, you will end up contacting a business that may pressure you to pay but will also now have your personal information. When using smartphones in particular, it becomes very easy to quickly call a business or send them an email that will end up connecting you to the business. Please never contact the business.

Payment screen on a smartphone (illustrative image)



### **(3) Consult your nearest local consumer center or other such agency before you pay**

Never let yourself get flustered and pay for a charge you do not recognize or do not agree with. Once you pay a business, it becomes very difficult to get your money back even if you notice a problem and want a refund (for instance, the business may be impossible to contact). If you ever have concerns, consult your nearest local consumer center or other such agency before contacting the business or making a payment.

## **2. SF scheme subjects elderly to repeated sales, to the point they can no longer afford to pay! Average payment amount for SF scheme reaches 1.7 million yen!**

There has been a growing number of inquiries and complaints regarding SF schemes that subject people to repeated/excessive sales (see Diagram 4).<sup>\*5</sup>

An "SF scheme" refers to the selling of expensive products to a captured audience at a venue whose atmosphere has induced a kind of hypnotic state (e.g. people are gathered in an enclosed space and given various daily necessities for virtually nothing. Once the atmosphere has been set, sellers bring out expensive products that they want to sell. They demonstrate and explain the products in an attempt to get visitors to buy them).

A recently observed tactic hosts sales gatherings for an extended period of several months, during which time elderly persons come repeatedly to the venue to receive free or low-cost necessities. Sales representatives reach out to them individually and persuade them to buy expensive products.<sup>\*6</sup>

Because this tactic involves gatherings that are hosted over an extended period of time, attendees buy expensive products one after another. It is only when they begin to worry about paying that the elderly person or those around them realize it is a repeated sales scheme. Consumers involved in SF schemes are mainly elderly persons (see Diagram 5.). Issues specific to elderly persons, such as isolation and diminished judgment, make the problem even

more direr. The average amount paid is 1.7 million yen, with some elderly persons who have even used up their retirement assets making purchases.

Accordingly, we are providing information on what to look out for so that elderly persons do not run into trouble with SF schemes.

Diagram 4. Number of inquiries and complaints by fiscal year for repeated/excessive sales

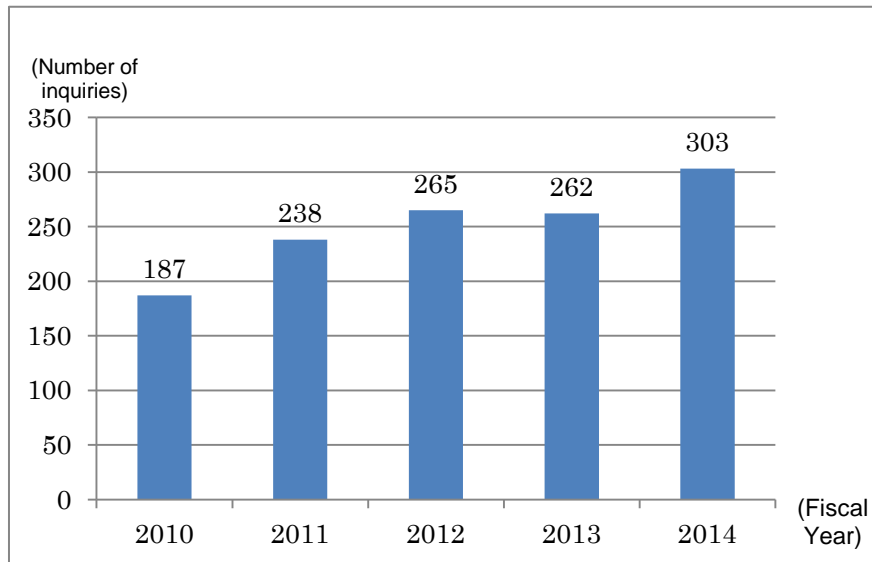
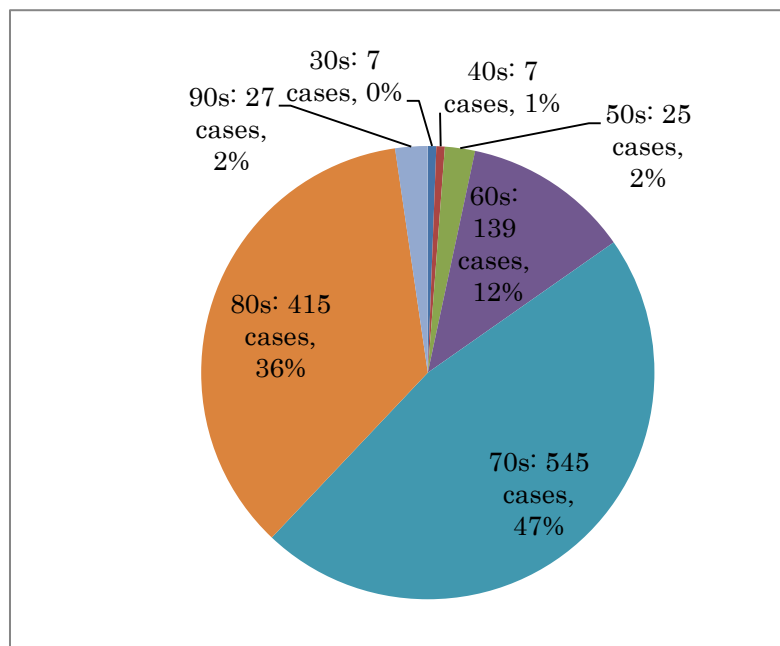


Diagram 5. Ages of consumers involved in repeated/excessive sales



\*5 The "SF" in SF scheme comes from the initials of the business (Shinseihin Fukyukai) that first used the tactic.

\*6 This sales tactic is considered an SF scheme because the seller's presentation and venue's atmosphere impede the free will of the person when entering into an agreement 1) by luring customers with virtually free daily necessities, 2) by working a large group of attendees into an excited state with product demonstrations and then offering them products while in that special state or while still under its influence, 3) by creating an atmosphere in which attendees feel they must buy the promoted products in order to continue attending the gatherings, and by other means.



### **Sample cases of inquiries and complaints**

**Case 1:** I attended for the free products and over a period of two months agreed to more than 5 million yen in purchases. (woman in her 80s)

**Case 2:** Over a period of four years, I paid more than 5 million yen for supplements.

(woman in her 80s)

**Case 3:** I attended a health seminar after seeing a flier about it. I purchased health foods they told me were good for my health. (woman in her 80s)

**Case 4:** They would send a car for my mother, who is extremely forgetful, and sold her one product after another. (woman in her 70s)

### **Issues seen in sample cases of inquiries and complaints**

1. Small gifts and fun conversation are used to attract elderly persons to the venue and get them to attend regularly over an extended period of time, during which they are asked to buy expensive products one after the next.
2. Sales are excessive, to the point that elderly persons have difficulty making payments. The average amount paid is more than 1 million yen.
3. Some cases involve sales being made to consumers with diminished judgment.
4. While the people around them are concerned, the elderly persons themselves rarely complain.

### **Advice for consumers**

(1) Advice for elderly persons

1. Do not let yourself get close to these venues too easily. Flatly refuse to purchase products you do not need, no matter the sales pitch.
2. Think carefully about whether it is worth squandering your precious retirement assets on these purchases.

(2) Advice for family and others around them: Be careful to speak to elderly persons in their terms

1. Do not reject what an elderly person says out of hand. Listen to what they are saying.
2. If they are suffering from dementia, consider using the adult guardianship system.

(3) In case of trouble, consult your local consumer center.

## **3. Solicitation rules for commodity futures transactions are changing!**

Solicitation rules for commodity futures transactions will change with revisions (effective June 2015) to the Ordinance for Enforcement of the Commodity Derivatives Act and other regulations. With certain exceptions, the uninvited solicitation of consumers for commodity futures transactions (i.e. personal visits and phone calls that are made to consumers to solicit contracts even though a consumer has not requested the solicitation) are prohibited. This time the categories of exception have been expanded. Under these new solicitation rules, the uninvited solicitation of consumers who satisfy certain criteria will be permitted more widely than before for Japanese exchange-traded futures transactions.

As a result, consumers with no intention of investing in commodity futures transactions may face a greater chance of being solicited for such contracts.

Commodity futures transactions are transactions that promise in advance to buy or sell a product at a certain time in the future at a certain price. They are complexly structured, high-risk/high-return transactions that can incur losses above the amount invested (i.e. investors may not only lose the amount they originally invested, but also be required to pay additional money). If solicited by a business, consumers should decline the solicitation or contract if they are not interested in trading, do not understand the structure of the transaction, or do not understand the size of the risk.

#### Summary of new solicitation rules<sup>\*7</sup>

##### (1) Criteria under which uninvited solicitation is permitted

Under the new solicitation rules, the uninvited solicitation of consumers by a business is permitted when a consumer is already engaged in high-risk transactions (e.g. FX transactions, security transactions on margin, etc.). Additionally, following certain procedures and rules, they can solicit consumers who meet all three of the following criteria.

###### Criteria:

1. Is under 65 years old
2. Does not live off a pension, etc. (income from a pension, etc. does not exceed income from other sources)
3. Satisfies either criteria A or B below<sup>\*8</sup>
  - A. Has an annual income of eight million yen or more
  - B. Has financial assets of 20 million yen or more

In the above cases, prior to any solicitation (sales pitch) the business must first verbally confirm that the targeted consumer satisfies all three of the above criteria, as well as confirm that the consumer is willing to be solicited (to listen to the sales pitch). A business may not solicit persons who do not satisfy the criteria or are unwilling to be solicited.

Moreover, the following two safeguards ((2) and (3) below) also apply in the case of contracts made with persons not currently engaged in high-risk transactions.

##### (2) Safeguards prior to signing

Even when a consumer satisfies the criteria for uninvited solicitation, the business is required to give the consumer a test prior to signing to confirm that the consumer understands the risks of the transaction (e.g. that their losses may exceed their margin, etc.).

A business may only sign a contract when the consumer has answered all questions on the test correctly (has confirmed an adequate understanding of the transaction's risks).

##### (3) Safeguards after signing

Even after signing, there are the following safeguards in place.

1. No transactions may be executed within 14 days (the "cooling off period" (see Diagram 6.)) of signing the contract.
2. The maximum allowable investment can be no more than one-third of the combined total of the consumer's annual income and financial assets. Also, when the required margin deposit reaches the maximum allowable amount, it is mandatory that the transaction be ended.
3. Except for experienced consumers,<sup>\*9</sup> transactions during the first 90 days may not exceed one-third of the maximum allowable investment.
4. The business must warn the consumer in advance of the possibility of additional losses.

Diagram 6. "Deliberation period"



- \*7 See METI website "Revisions made to solicitation rules for commodity futures transactions" (Japanese only) (<http://www.meti.go.jp/press/2014/01/20150123001/20150123001.html>).
- \*8 In addition to A and B under criteria 3, the uninvited solicitation of consumers by a business is also permitted, following certain procedures and rules, if the consumer possesses certain credentials (attorney, judicial scrivener, certified public accountant, tax accountant, financial planner, securities sales representative (class 1) or securities analyst).
- \*9 Refers to persons with more than 90 days total experience with commodity derivatives transactions (excluding loss limited transactions) in the three immediately preceding years.

#### Advice for Consumers

1. Decline solicitations and contracts if you are not interested in trading or do not understand the structure of the transaction or the size of the risk.
2. Do not buy into sales pitches promising that you will "get rich" and "can't lose money."
3. Verify whether the business is licensed.
4. Answer questions about annual income, etc. accurately.
5. Even after you have signed the service agreement, think carefully about your actual transactions.
6. Keep a record of your communications with the business.
7. In case of trouble, consult your local consumer center or other such agency.

### III. Other

#### 1. NCAC Cross-border Consumer Center Japan (CCJ) begins taking inquiries and complaints

The NCAC Cross-border Consumer Center Japan (CCJ) began taking inquiries and complaints regarding cross-border consumer troubles (i.e. troubles between consumers in Japan and businesses overseas) starting June 1, 2015.

For more information, please see the CCJ website.

#### NCAC Cross-border Consumer Center Japan (CCJ) website (Japanese only)

<http://www.kokusen.go.jp/ccj/index.html>

#### Cross-border Consumer Trouble Consultation Desk

The Cross-border Consumer Center Japan (CCJ) at the following website (Japanese only) is ready to help you resolve troubles related to products and services purchased overseas.

<https://ccj.kokusen.go.jp/>