

# From National Consumer Affairs Center of Japan Vol.27No.3 Sep. 2015

\*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

#### -NCAC information for consumer-

#### I. Injury/fatal accident

P1 1. The never-ending safety hazards of eyelash extension treatments http://www.kokusen.go.jp/pdf/n-20150604 1.pdf

 Handle with care: Riders of sport-type bicycles need a good understanding of their design and use http://www.kokusen.go.jp/pdf/n-20150618 1.pdf

#### II. Property damage

P13 1. Beware suspicious phone calls exploiting the personal information leak at the Japan Pension Service

http://www.kokusen.go.jp/news/data/n-20150604\_3.html

P14 2. Growing among people in their twenties! Inquiries and complaints about at-home affiliate and drop-shipping marketing: Get rich by introducing friends? Some people are even pushed into to debt to make payments http://www.kokusen.go.jp/pdf/n-20150716 1.pdf

#### III. Other

P16 1. NCAC and KCA agreed the MOU on cooperation in consumer consultation for cross border consumer issues

http://www.kokusen.go.jp/dekigoto/data/de-20150730.html

\* 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. The never-ending safety hazards of eyelash extension treatments

On February 17, 2010, NCAC published "Safety hazards caused by eyelash extension treatment" to alert consumers and call on the Consumer Affairs Agency to take steps to prevent recurrence and spread of these hazards. In response, the Consumer Affairs Agency called on the Ministry of Health, Labour and Welfare (MHLW) to further strengthen hazard prevention measures. Their review of safety maintenance, etc. in eyelash extension treatments has now ignited efforts to improve education in cosmetologist training programs and provide consumers with better information, etc.

Since FY2010, PIO-NET (Practical Living Information Online Network System)\*<sup>1</sup> has received 599 harmful incident reports\*<sup>2</sup> (e.g. eye pain) as a result of eyelash extension treatments, with over 100 incidents reported annually. The Medical Facilities Network\*<sup>3</sup> has also received reports on three such incidents.

Eyelash extension is a cosmetic procedure and persons performing it must have a cosmetology license.\*4 According to the National Police Agency, however, there was a significant increase in 2013 in the number of arrests for violations of the Cosmetologists Act for eyelash extension.\*5



- \*1 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.
- \*2 Harmful incident reports are those in which consumers have been harmed (i.e. suffered bodily injury and/or illness) in connection with a product, service, or facility. Includes data received after FY2010 and registered through March 31, 2015.
- \*3 The Medical Facilities Network is a joint project by the Consumer Affairs Agency and the NCAC which started operating from Dec. 2010. The network collects accident reports on people receiving treatment at medical facilities after suffering life-threatening or bodily injuries in their daily lives. Includes data registered between December 2010 and March 31, 2015.
- \*4 "Eyelash Extension-Related Accident Reports," Ministry of Health, Labour and Welfare (MHLW) http://www.mhlw.go.jp/bunya/kenkou/seikatsu-eisei30/ According to the Cosmetologists Act, "Cosmetologists must perform cosmetology at a cosmetology facility."
- \*5 Data courtesy of Director for Economic Crime Investigations, Community Safety Bureau, National Police Agency.

#### About eyelash extension

Eyelash extension is a cosmetic technique that makes eyelashes appear longer and darker. The procedure involves attaching realistic-looking artificial lashes to a person's actual eyelashes using an adhesive (i.e. glue) at an about 1-2mm from the eyelid (see Diagram 1). The most common technique applies one artificial lash to one actual eyelash. While the artificial lashes will normally come off naturally in about 2-4 weeks, they can also be removed sooner using a special chemical (i.e. remover).

Photo 1. Eyelash extension procedure example

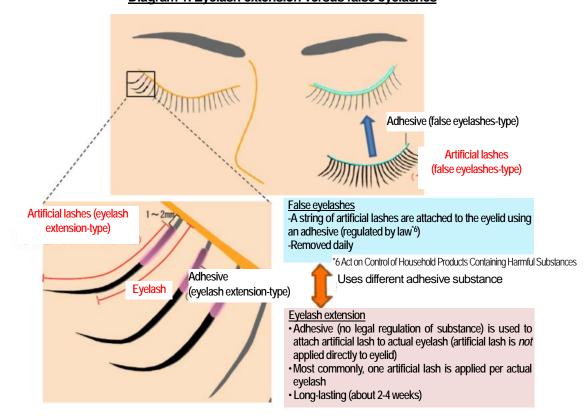
Before

After





Diagram 1. Eyelash extension versus false eyelashes



#### Typical cases involving accidents

#### Case 1:

Fluid got in my eyes during the procedure, after which my eyes hurt, became bloodshot, and wouldn't stop tearing. The person performing the procedure was an amateur without a cosmetology license.

(Woman in her 30s)

#### Case 2:

My eyes became swollen the day after the procedure. When the doctor examined me, I was told it was an allergic reaction to the adhesive used in the procedure. (Woman in her 20s)

#### Number of harmful reports

The number of harmful incident reports received by PIO-NET after FY2010 and registered through March 31, 2015 was 599 (see Diagram 2).

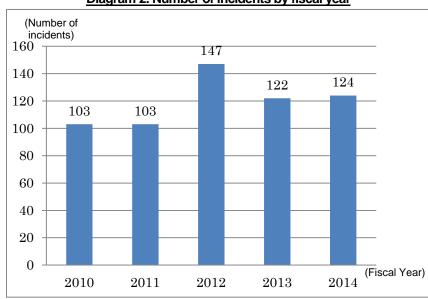


Diagram 2. Number of incidents by fiscal year

#### Description and severity of harm

"Painful eyes," "bloodshot eyes," "swollen, irritated eyelids," and "itchy eyes" were the most common incidents reported, though some people also complained of multiple symptoms. In terms of severity of harm, 31.4% (142 incidents) reported "less than one week of medical treatment" and 35.2% (159 incidents) "did not see a doctor." At the same time, 4.0% (18 incidents) reported "one month or longer" (excludes 147 unknown incidents / see Diagram 4).

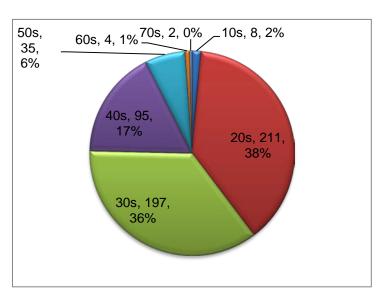
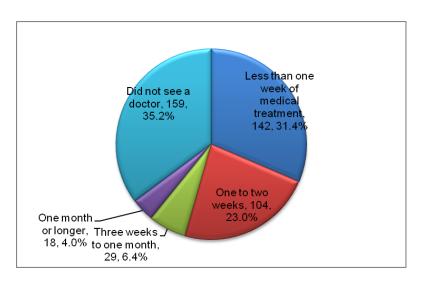


Diagram 3. Number of incidents per victim age group (n=552)

<sup>%</sup> Percentages have been rounded to the nearest tenth, such that the breakdown does not total 100%.

Diagram 4. Severity of harm (n=452)

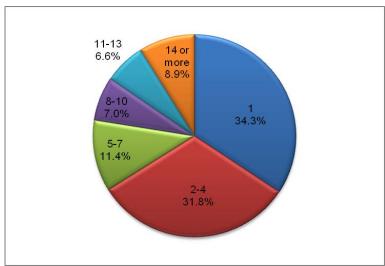


#### Questionnaire survey on harm to health, etc. from eyelash extension

NCAC surveyed 1,000 women between the ages of 10-59 who had undergone eyelash extension within the last year. Questions addressed their use of salons, harm to their health, and so on.

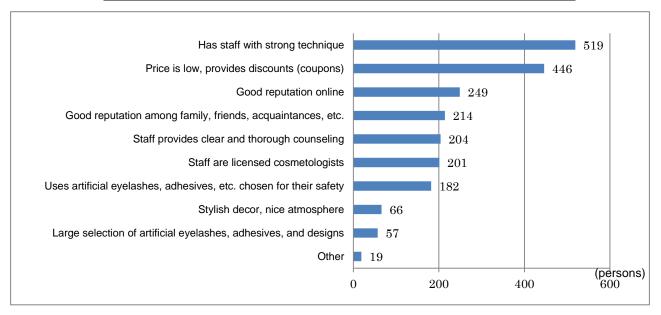
- Nearly 70% of respondents had undergone eyelash extension not once but multiple times.

Diagram 5. Frequency of use during the past year (n=1000)



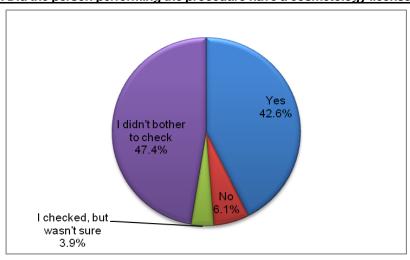
More than 70% of respondents knew that persons performing the eyelash extension must have a
cosmetology license but, when choosing a salon, only about 20% considered it important that the person be
a cosmetologist.

Diagram 6. What is important when choosing a salon? (multiple answer) (n=1000)



 Approximately 6% answered that the person who performed the procedure did not have a cosmetology license, while nearly half of all respondents did not check whether the person did or did not have a cosmetology license.

Diagram 7. Did the person performing the procedure have a cosmetology license? (n=1000)



 Just over 50% indicated that the risks of harm to one's health "were explained and fully understood," yet only about 40% were instructed to seek help at a medical facility if something was abnormal with their body or they felt strange.

Diagram 8. Given explanation of risks (n=1000)

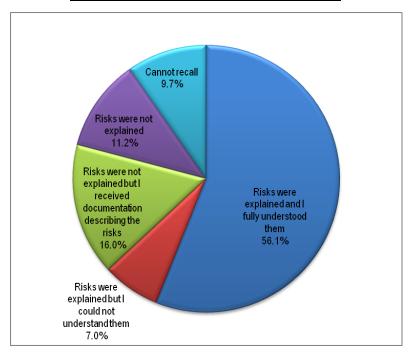
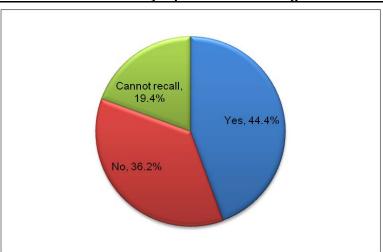


Diagram 9. Given instructions in the event they experienced something abnormal or felt strange (n=1000)



- One in four people who underwent eyelash extension experienced something abnormal or felt strange.
- "Painful eyes/foreign object in eyes," "itchy eyes/eyelids," and "bloodshot eyes" were most common.

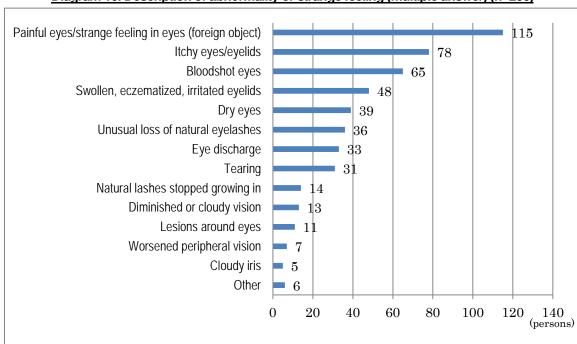


Diagram 10. Description of abnormality or strange feeling (multiple answer) (n=250)

Many of the people who experienced something abnormal or felt strange did so within two to three days of the procedure.

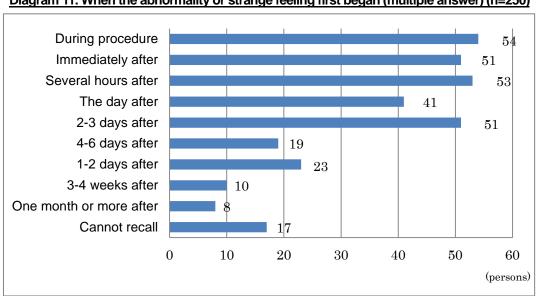


Diagram 11. When the abnormality or strange feeling first began (multiple answer) (n=250)

- Many people believed that the technique of the person performing the procedure was the cause (e.g. "adhesive got in eyes during the procedure," "adhesive touched eyes and/or eyelids," etc.).

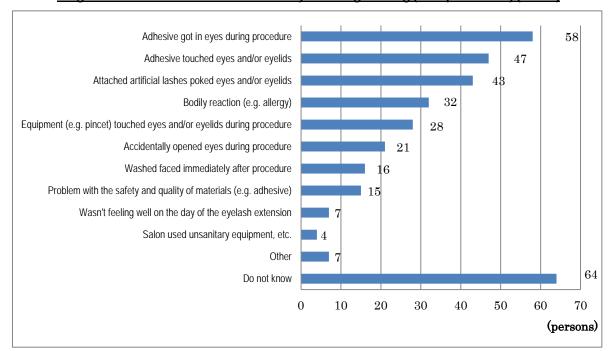


Diagram 12. Cause behind the abnormality or strange feeling (multiple answer) (n=250)

- More than half of respondents did not inform the salon that they experienced something abnormal or felt strange.

#### NCAC test results

#### [Study of adhesives used in the procedure]

NCAC studied composition and labeling of 15 brands of adhesive for use in salons (commercial-grade) available for purchase over the internet.

- The substance ethyl cyanoacrylate was detected in 14 of the 15 brands, and butyl cyanoacrylate detected in two of the 15 brands.
- Three of the 15 brands failed to list active ingredients anywhere on the container, package or included documentation.

#### Advice for Consumers

- (1) Eyelash extension can harm your eyes and the area around them. Due caution should be exercised whenever undergoing the procedure.
- (2) If you experience something abnormal with your eyes or the area around them, seek assistance at a medical facility immediately.
- (3) If you are harmed as the result of an eyelash extension procedure, report it.

Table 1. Ingredient list on product containers, packaging, or included documentation



## 2. <u>Handle with care: Riders of sport-type bicycles need a good understanding of their design and use</u>

Sport-type bicycles (called "sport bikes" below) are designed for various cycling sports and leisure riding, and are suitable for long-distance touring and riding at high speeds. Over the past ten years, sport bikes have increased in annual sales. In recent years, even relatively expensive sport bikes have become prevalent.\*<sup>7</sup>

According to PIO-NET (Practical Living Information Online Network System), inquiries and complaints regarding harm and hazard-related incidents involving sport bikes occupy roughly 20% of all harm and hazard-related incidents involving bicycles. With the increasing popularity of sport bikes, there is concern that an even greater number of sport bike-related inquiries and complaints can be expected in the future.

It has also become clear that incidents of harm involving sport bikes tend to be more serious than similar incidents involving bicycles that are not sport bikes. Another characteristic of many inquiries and complaints is the relatively expensive price of the bicycles, with some 20% of all inquiries and complaints involving purchase prices of 100,000 yen or more.

Sport bikes are generally designed to be light weight. As a result, they do not deal well with external impacts, etc. Under certain conditions, even just laying the cycle on its side while handling it can create deformities in important components that can cause a piece to break in the course of riding and result in a falling accident. Moreover, without a good understanding of their specific design and how to inspect and adjust them, riders may end up using improperly adjusted bikes. This too can cause integral components of the bicycle to break while riding and result in a falling accident.

\*7 Japan Bicycle Promotion Institute (JBPI) surveys of domestic market trends, "Annual Summary of Japanese Bicycle Market Trend Surveys for 2013 (January-December 2013)" (published February 2014)

#### Overview of Inquiries

- There is concern over the growing number of sport bike-related inquiries and complaints as a percentage of all bicycle-related inquiries and complaints.
- Harmful incidents involving sport bikes tend to much more serious.
- In cases of harm and hazard-related inquiries and complaints involving sport bikes that result from apparent malfunctions in the front forks, saddles, derailleur hangers, or quick release hubs, the cause appears related to the specific design and handling of sport bikes.

#### Typical cases involving harm/hazard

#### Case 1:

I was riding my racing bike on a mountain road. The bike's carbon front fork suddenly snapped on both sides and I was badly injured. (Man in his 20s)

#### Case 2:

My son was riding a sport-type bicycle that he assembled himself. While riding, the front wheel came loose and he was badly injured. Does the Product Liability Act apply? I want them to provide compensation.

(Man in his 20s)

#### NCAC test results

NCAC studied front forks, saddles, derailleur hangers, and quick release hubs, parts that were often believed to be the point of malfunction in the cases on PIO-NET.

#### Front fork and handlebar design

 In some cases, when the front fork was attached in the wrong way, the front fork and/or bearings broke during riding.



Photo 2. Broken front fork that resulted when rattling occurred in the shaft while riding



Photo 3. Broken bearing that resulted when rattling occurred in the shaft while riding



- In some cases, when the bolt securing the handlebar system was not properly tightened, the handlebar stopped responding.

Photo 4. Example in which the bolt securing the handlebar system was not properly tightened and the handlebar stopped responding



Type of handlebar system that detaches single-handedly



Type of handlebar system that does not detach single-handedly



Situation in which the bolt securing the handlebar system is not properly tightened and the handlebar has stopped responding

#### Saddle and seat post

- In some cases, when the saddle was not adequately tightened, the saddle loosened while riding and caused the seat position to change.



Photo 5. Example in which the saddle has loosened (left: before test, right: after test)



#### Regarding derailleur hangers

In some cases, when the bicycle lacked a derailleur guard (cover), the derailleur hanger got bent when the bicycle was knocked over to the right. In some such cases, when the bicycle with the bent derailleur hanger was then ridden, the derailleur got caught on the rear wheel.

Photo 6. Bent derailleur hanger results when bicycle is knocked over

Rear derailleur

Rear derailleur strikes the ground

Rear derailleur bends

Derailleur strikes the ground

Derailleur puard prevents rear derailleur from striking the ground

- In some cases, the derailleur hanger was bent when the bicycle was dropped to the ground in its traveling case.

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Photo 7. Example of bicycle in its traveling case

Photo 8. When dropped to the ground, the rear derailleur struck the ground





<sup>\*</sup>For purposes of photography, the bicycle has been removed from the bag.

#### Regarding quick release hubs

- In some cases, the wheel fell off when the cam lever was not properly tightened.

Photo 9. Simply loosening the cam lever did not immediately fall off the front wheel



Photo 10. "Lawyer lips" on front wheel fork designed to prevent the wheel from falling off



#### Video

Low-resolution video

http://www.kokusen.go.jp/douga/20150618\_1\_news/n-20150618\_1\_low.html High-resolution video

http://www.kokusen.go.jp/douga/20150618\_1\_news/n-20150618\_1\_high.html

#### Advice for Consumers

- (1) Sport bikes must be handled with care.
- (2) Secure the front fork in the correct way and inspect it regularly to ensure it is tight and free of rattling.
- (3) Secure the saddle correctly and inspect it regularly to ensure it is tight.
- (4) Watch out for a bent derailleur hanger.
- (5) Secure the quick release hub correctly and check that it is tight before riding.
- (6) Choose the right bike for your needs.



(7) When riding a sport bike for the first time, first practice riding it in a safe location. Also take care to wear proper safety equipment and perform regular inspections and maintenance.



Photo 11. How to inspect your bicycle

#### II. Property damage

#### 1. <u>Beware suspicious phone calls exploiting the personal information leak at the Japan</u> Pension Service

Local consumer centers across Japan have started receiving inquiries and complaints regarding suspicious phone calls related to the personal information leak at the Japan Pension Service. Callers tell people things like "your pension information has been leaked" and "your leaked pension information can be deleted."

These suspicious calls are a kind of fraud that offers to "delete your personal information that has been leaked" with the ultimate goal of tricking people out of their money. Due caution should be exercised, as such calls have been growing in number recently.

Calls offering to "delete your personal information" and the like are frauds. You should ignore them and hang up immediately.



#### Sample cases of inquiries and complaints

#### Case 1:

I received a call at home from someone claiming to belong to a Pension Leak Processing Committee, though his caller ID was blocked. He said that my pension information had been leaked and that others' information might have been leaked too, so he wanted me to tell him who in my family was receiving a pension. When I asked him to send the details in writing, he hung up.

(Woman in her 60s)

#### Case 2:

I received a call from someone claiming to be with the Japan Pension Service. He told me personal information had been leaked and mentioned my name. He said he needed to speak directly to that person and kept asking if it was me. I said she was out of the house and he hung up, saying he would call back again.

(Woman in her 70s)

#### Case 3:

I received a call from someone claiming to be an official at NCAC, asking if I was aware of the pension incident and telling me my personal information had been leaked to three companies. He told me they had deleted my information from two of the companies but had been unable to do so for the third. "Fortunately," he said, "the director of a volunteer organization has agreed to act as your representative. You'll be contacted by the director soon about transferring authority to him." Then he hung up.

(Woman in her 60s)

#### Advice for Consumers

- (1) If you receive a suspicious call or solicitation telling you your pension information was leaked or offering to delete your leaked pension information, ignore it and hang up immediately.
- (2) Consumers will never be contacted by phone or email by the Japan Pension Service, Consumer Affairs Agency, National Consumer Affairs Center of Japan (NCAC), or your local consumer center regarding this incident.
- (3) If you are the least bit concerned, immediately contact your local consumer center or other such organization.

## 2. Growing among people in their twenties! Inquiries and complaints about at-home affiliate and drop-shipping marketing: Get rich by introducing friends? Some people are even pushed into to debt to make payments

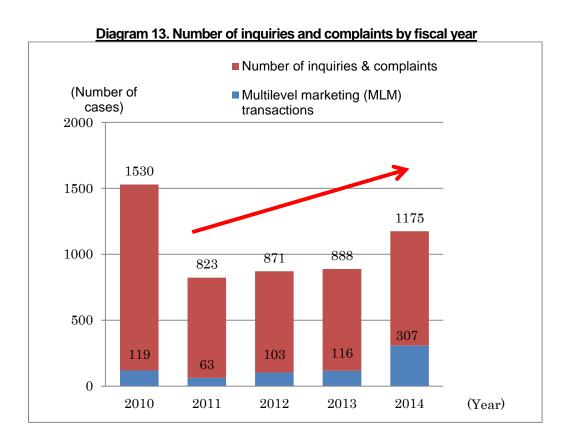
In FY2014, inquiries and complaints at local consumer centers around Japan regarding at-home affiliate and drop-shipping marketing again exceeded 1,000 cases for the first time since FY2010 (see diagram 13).

A look at recent inquiries and complaints shows a prevalence of MLM-type<sup>\*8</sup> solicitations using the phrase "affiliate" (e.g. "friends and people I met through SNS introduced me to at-home affiliate and drop-shipping marketing and explained I could make money if I solicited acquaintances and grew the number of members"). Another recent characteristic is the large number of university students and other young adults.

At the same time, inquiries and complaints that are familiar from years past also continue to be received in large numbers (e.g. "I entered an expensive contract because they told me I'd make my money back immediately, but I haven't earned anything," "when I entered the contract, the business told me I'd be fine because they would provide support, but they haven't provided that support and so I haven't sold anything," "I was charged supplemental fees that were never discussed when I entered the contract").

MLM (multi-level marketing) transactions are regulated under the "Multilevel Marketing Transactions" section of the "Act on Specified Commercial Transactions" (referred to below as the "Specified Commercial Transactions Act").





#### Sample cases of inquiries and complaints

**Case 1:** A person above me at my part-time job was promoting affiliate marketing. He explained that I would make money if I could introduce other people.

(Man in his 20s)

**Case 2:** A friend was promoting affiliate marketing. I borrowed money to enter a contract and now I have promoted it to friends too.

(Man in his 20s)

Case 3: I entered a contract for drop-shipping but never received the support they said I would. I haven't made any money.

(Woman in her 20s)

Case 4: I was told there would be no intial investment but was charged an "equipment investment fee" after signing.

(Man in his 20s)

#### Problems highlighted by the sampling of inquiries and complaints

- 1. MLM transactions are promoted by friends, etc., making them hard to decline.
- 2. Explanations when being solicited prove very different from the actual terms.
- 3. If a person does not have the money to pay the expensive cost of the contract, they are encouraged to use consumer loans, credit cards, etc.
- 4. Explanations make it seem as if it will be easy to earn money.



Characteristics of at-home affiliate and drop-shipping marketing

#### At-home affiliate marketing

- A form of internet-based advertising. Affiliates post advertisements for participating suppliers' products and earn referral fees when visitors purchase those products via the product advertisements.
- Affiliates need not have any inventory on hand. They only need to create a website and advertisement.
- The business can be started at no cost without start-up fees.
- When a person clicks through the advertisement and actually buys the product, affiliates can earn actual income.

#### Drop-shipping marketing

- A form of internet-based mail-order sales.
   Sellers choose which products to sell and set their own prices. They make a profit on the difference between their sale price and the wholesaler's price.
- Website operators can engage in sales without any inventory and no need to buy, manage, package, or ship product.
- Drop shipping includes 1) sellers who market wholesale products from participating suppliers and 2) sellers who apply their own designs to products available from the participating supplier (e.g. T-shirts) that are then sold on the seller's website.

In either case, sellers often tend to rely on middlemen when creating their websites and have encountered trouble upon entering an expense contract.

#### Advice for Consumers

- (1) The trouble caused by MLM transactions is not only financially damaging but can also ruin personal relationships. If you are not interested in entering such a contract, simply decline the offer.
- (2) Avoid entering unrealistic contracts based on income expectations described during the sales pitch.
- (3) There is no easy way to make money.
- (4) In case of trouble, consult your local consumer center.

#### III. Other

### 1. NCAC and KCA agreed the MOU on cooperation in consumer consultation for cross border consumer issues

The National Consumer Affairs Center of Japan (hereafter NCAC) and Korea Consumer Agency (hereafter KCA) agreed the MOU on cooperation in consumer consultation for cross border consumer issues.

On 30th July, the signing ceremony for the MOU was held at NCAC in Tokyo, the president of NCAC Mr. Matsumoto and the president of KCA Mr. Jung singed the MOU.

NCAC established as an incorporated administrative agency and funded by the Government of Japan, works as a core consumer advocate organization in accordance with the Japanese Consumer Fundamental Act.

And KCA also established as a government agency in accordance with the Korea Framework Act on Consumers.

The function and mission of both are very common. They are in charge of consumer consultation, consumer ADR, product testing, providing information (including publication) and proposal and study of the policy plan and regulation for developing the consumer protection.

In the MOU, NCAC and KCA try to tackle consumer issue that happens between Japan and Korea, that means "Japanese consumer to Korean business" or "Korean consumer to Japanese business", mutual cooperatively.

NCAC announced that NCAC develop the resolution of cross border consumer issue through the cooperation with consumer organization in other country in this press release.

