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HEADLINE: S'pore ponders 'lemon' law to protect car buyers

BYLINE: Christopher Tan , SENIOR CORRESPONDENT

A BUYER of a brand new car that repeatedly breaks down could get a replacement or a full refund if plans to introduce a 'lemon law' in Singapore succeed.

The Consumers Association of Singapore hopes to introduce a law similar to those used in America, Canada and even China to provide recourse to buyers saddled with 'lemons', the term for grossly defective vehicles.

The lemon law allows a court to order a seller or manufacturer to exchange such a car for a new one or to give a suitable refund.

Singapore is still working out how exactly a lemon would be defined here, but Case executive director Seah Seng Choon told The Straits Times the local law would be an adaptation of the United States version.

In the US, states have slightly varying lemon laws but they share some basic traits, according to the autopedia.com website.

The laws define what a lemon is and require that the manufacturer, not the dealer, take care of the defects. A car is considered a lemon if numerous, unsuccessful, attempts are made to repair a defect which significantly impairs its use, value or safety.

Case is working with the Ministry of Trade and Industry to draft the lemon law, as part of a broad review of 20 'unfair practices' as defined by the Fair Trading Act. If the lemon law is introduced it will likely be a part of the Act.

The taskforce conducting the review includes representatives from consumer and business bodies, as well as public agencies, the ministry said. It aims to complete its review by year end.

Mr Seah says the lemon law is long overdue, pointing out that Case receives about two complaints a month from motorists related to 'frequent repairs of new cars'.

'We need to send a strong signal to businesses that they cannot dump defective goods on consumers,' he said.

Lawyer Vijai Parwani of Parwani & Co agrees: 'Although we have the Sale of

Goods Act, the provisions are very general and do not contain specific provisions relating to the sale and purchase of motor vehicles.'

He cited a case from several years ago in which the distributor refused to take back a defective car, and argued that as long as it was under warranty, the owner could bring it back for repairs. 'But from the owner's point of view, this can be frustrating as he never intended for a car to spend its good years in the workshop.'

Motor vehicle retailers fear the lemon law will lead to higher business costs and may be open to abuse.

Motor Traders Association president Chia Yong Sian said there was 'no need' for it here, but he hoped the law would be fair. It 'should not hinder business and trade'.

He said unscrupulous buyers might abuse the law to return a car they do not like but which is not really defective.

But he admits it could 'provide protection against unscrupulous traders'.

Manufacturer General Motors, maker of brands such as Opel, Saab and Chevrolet, welcomes a lemon law here.

'It wouldn't have a significant impact on costs,' a spokesman said. 'It is a positive move that will raise quality standards in the industry.'