

Competition & Antitrust and Trade

CaseTrust Accreditation Scheme for E-businesses

Introduction

On 13 October 2023, the Consumers Association of Singapore ("**CASE**") launched the CaseTrust Accreditation Scheme for E-businesses ("**e-CaseTrust scheme**") to address common issues and complaints of consumers when they shop online.

There has been a rise in the number of complaints received by CASE involving online purchases in recent years, with common issues relating to delivery issues, defective or non-conforming goods, and misleading and false claims. This birthed the e-CaseTrust scheme and accreditation criteria that CASE co-developed with Nanyang Polytechnic's Singapore Institute of Retail Studies.

The e-CaseTrust scheme incorporates CaseTrust's general accreditation requirements (such as ethical advertising, price transparency, good sales and after-sales service and business integrity), as well as relevant industry guidelines for retail consumer-facing e-businesses (such as [CASE's Standard Dispute Management Framework for E-marketplaces](#), Technical Reference 76 ("**TR 76**") which is Singapore's national standard for electronic commerce transactions and the [Competition and Consumer Commission of Singapore \(CCCS\)'s Guidelines on Price Transparency](#)).

Being accredited with the CaseTrust mark benefits both consumers and e-businesses. Consumers can be assured that the accredited e-businesses have in place controls for secure payment transactions and that they adopt consumer-friendly practices (for instance transparency charges etc.). At the same time, accredited e-retailers will be able to distinguish themselves from their competitors in a diverse market, and benefit from greater exposure through CASE publicity efforts for CaseTrust accredited businesses, increased brand equity and consumer confidence as a whitelisted businesses and attract more customers through the adoption of pro-consumer policies when handling complaints, refunds or disputes.

This Update outlines salient aspects of the accreditation assessment criteria for e-businesses as well as the application and assessment process, along with our comments.

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Assessment Criteria

To qualify for the e-CaseTrust accreditation, applicants must meet the assessment criteria that cover the following:

(a) Policies

These include clearly stating any delivery and shipping charges incurred and clearly stating any additional charges for extra services such as subscriptions, alterations, repairs and express shipping. These are to address consumer concerns on incomplete price information, as well as practices such as "pre-ticked boxes" and "drip pricing" which are specifically discouraged under the CCCS's Guidelines on Price Transparency. Businesses must clearly state the terms and conditions of sale, such as that relating to warranties, exchanges and refund, as well as cancellation of transactions.

(b) Communication

These include providing sufficient information on the website about the business, such as its legal number and business registration number. These are to address instances where consumers cannot pursue their complaints as they cannot identify the merchants. In relation to advertising and promotion, businesses must ensure that all goods and services are accurately described and portrayed in all marketing communications and that their marketing communications include sufficient details.

(c) Practices and systems

These include new criteria unique to this scheme, such as providing an online ordering system that enables consumers to complete the transaction efficiently and without difficulty, allowing consumers to review their purchase decision before confirming the transaction, and providing confirmation slips to consumers with details of their purchases for all transactions. Businesses must also put in place practices relating to delivery management, feedback management, information security and privacy protection and security.

(d) Personnel

These include ensuring that the business' staff do not practice unethical sales tactics, and that staff can provide accurate, timely and comprehensive product and service information to consumers when contacted.

Some of the above criteria are unique to the e-CaseTrust scheme to better address issues in the e-commerce landscape.

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For businesses which sell on e-Marketplaces, they need to comply with additional requirements like ensuring that their business is easily identifiable and easily contactable through the e-Marketplace, and that the relevant e-Marketplace ensures user authenticity, transaction safety, availability of loss remediation channels for consumers and has effective anti-scam measures.

Application and Assessment Process

To kickstart the process for the e-CaseTrust accreditation, businesses must submit their application to CaseTrust (including payment of the application fee) and subsequently submit the desktop assessment documents required in the criteria checklist.

The applicant is then required to pay the Full Assessment Fee and undergo a full assessment consisting of a desktop and site (office or virtual) assessment.

Following the assessment, the applicant will receive a set of recommendations on the corrective actions that the business should undertake. If all corrective actions are satisfactorily undertaken within the recommended timeline, the assessment is completed. The business will be required to sign a Licence Agreement and pay the requisite Annual Management Fee.

Businesses who qualify to obtain the CaseTrust accreditation will be able to display the CaseTrust logo on their online stores and marketing materials to differentiate themselves as a reliable online store.

Accreditation for the scheme is for a period of four years, which is renewable subject to the assessment, investigation results, feedback from the public, and other relevant factors. Interim assessments consisting of the site assessment only are to be conducted on the third year of every accreditation cycle.

The various fees payable vary depending on the sales turnover of the business.

Our Comments

The launch of the CaseTrust accreditation scheme for e-businesses is a timely and welcome development, given the prevalence of e-commerce transactions today and the rise in consumer complaints involving online purchases. Our team had earlier conducted a feasibility study (available [here](#)) on the development of an e-commerce trust mark, albeit at a regional level, for the ASEAN Secretariat previously, and concluded that it was likely to be beneficial to both consumers and e-shops.

Although accreditation under the e-CaseTrust scheme would involve additional costs and compliance requirements, accredited e-businesses will as mentioned benefit from the increased consumer confidence and positive publicity as an accredited business, and can better differentiate themselves in the crowded e-commerce landscape. Given that many of the assessment criteria are aligned with relevant industry guidelines such as the TR76 and the CCCS's Guidelines on Price Transparency,

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compliance with the criteria will also allow e-businesses to better ensure compliance with the Consumer Protection (Fair Trading) Act 2003 and any subsequent development of the TR76 into a Singapore Standard.

We highlight that whilst the accreditation is targeted more at e-retailers and e-merchants rather than e-marketplaces, e-marketplaces will need to appropriate measures to ensure user authenticity, transaction safety, availability of loss remediation channels for consumers, and effective anti-scam measures, as e-merchants selling through them would need to ensure these in order to be accredited.

Businesses operating in the e-commerce space are therefore highly encouraged to consider whether to apply for the accreditation and to assess if their business practices are compliant with the assessment criteria; and if not, what tweaks may be required to achieve compliance. Given that the applicable costs vary with business turnover, the e-CaseTrust scheme is intended to be relevant to smaller businesses too.

If you have any questions in relation to the above development or would like further information on the accreditation process or assistance to assess your business compliance with the criteria, please do not hesitate to contact our team below or email us at competitionlaw@rajahtann.com.

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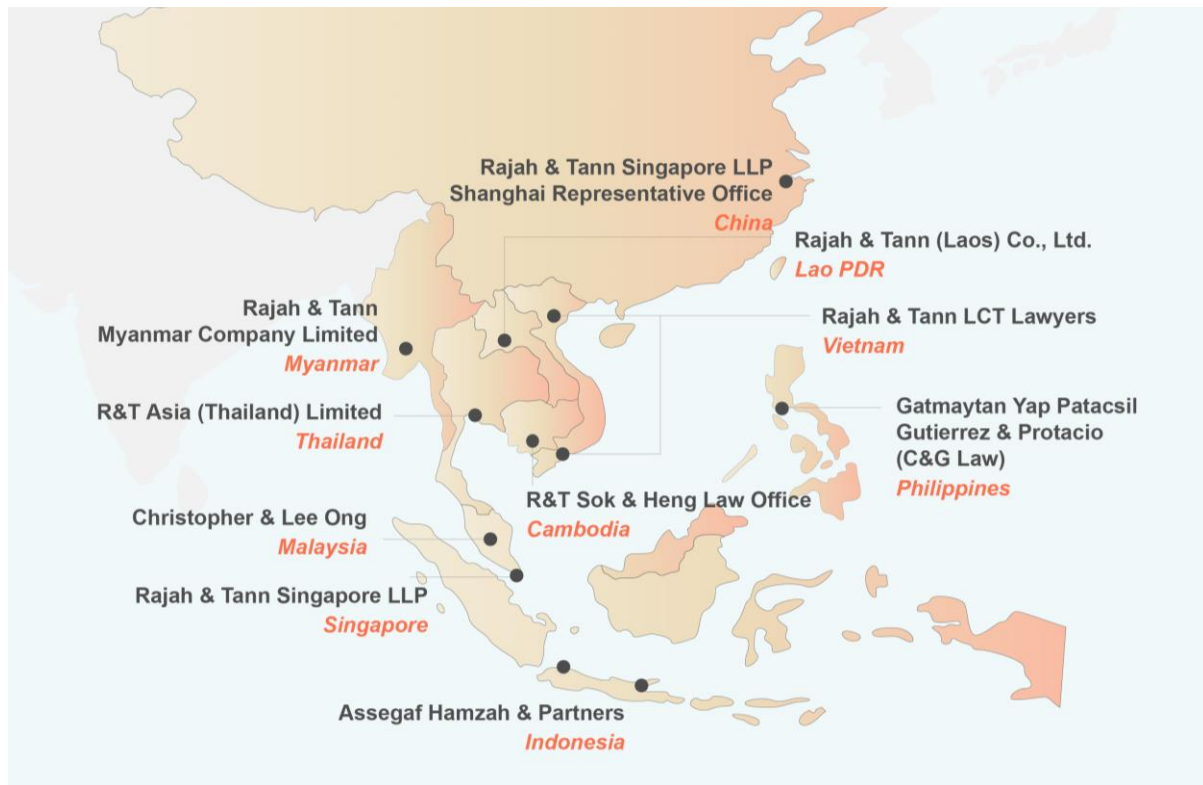
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