



## MEDIA RELEASE

23 November 2023

### Natural Salon Undertakes to Cease False and Misleading Claims on Prices and Right to Payment

1. An investigation by the Competition and Consumer Commission of Singapore (“**CCCS**”) under the Consumer Protection (Fair Trading) Act 2003 (“**CPFTA**”) has found that Natural Salon Pte. Ltd. (“**Natural Salon**”), a hairdressing salon located in Bukit Panjang (now trading as “K Salon”<sup>1</sup>), engaged in the following unfair practices between 16 May 2021 and 11 August 2021:
  - (a) Demanding payment for the supply of unsolicited hair service packages, and unsolicited hairstyling and hair washing services;
  - (b) Falsely representing to consumers that the “member price” of a haircut at its salon was a “new opening special” when the salon had been open for at least eight months; and
  - (c) Charging prices for haircuts or hair treatment packages that were substantially higher than the estimate provided to a consumer (i.e. \$2 or \$3 for the haircut, and \$99 for the haircut and hairwash), without the consumer’s prior consent to the higher price.
2. As regards the conduct referred to in paragraph 1(a) above, Natural Salon had demanded payment of \$772 from a consumer for a haircut and hair wash service package despite having initially stated the cost to be \$99 for only the haircut and hair wash.
3. CCCS also found that Natural Salon had demanded payment of \$35 for unsolicited hair washing and scalp scanning services when the consumer had only asked for a haircut which cost \$2 or \$3.
4. As regards the conduct referred to in paragraph 1(b) above, Natural Salon had, through a banner outside its storefront, falsely represented that the price of a haircut being \$2 or \$3, was a “new opening special”, when Natural Salon had, in fact, been open for at least eight months.

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<sup>1</sup> Natural Salon’s current registered address is at 260 Bangkit Road, #01-31 Bukit Panjang New Town, Singapore 670260

5. As regards the conduct referred to in paragraph 1(c) above, Natural Salon's staff had initially represented to consumers that they were entitled to a haircut at \$2 or \$3 but did not disclose that the stated price was for members only, and subsequently charged consumers the non-member price of \$35 after the haircut was performed. To enjoy the members-only price, consumers had to first pay a fee of \$200. Natural Salon also initially provided a price estimate for the price of a haircut and a hair wash at \$99, but later charged the consumer \$772 for the service as part of a package without first seeking the consumer's consent for the higher price.

### **CCCS' Investigations**

6. Following CCCS's investigation, Natural Salon took active steps to make changes to its business practices to comply with the CPFTA, including amending the banner with the false or misleading prices. Eventually, it removed the banner entirely. Natural Salon also fully refunded the consumers who were subjected to the unfair practices identified in paragraph 1 above.
7. To address CCCS's concerns arising from the investigation, Natural Salon has given an undertaking to CCCS that it will, amongst other things:
  - (a) stop engaging in the identified unfair practices referred to above in paragraph 1 and not engage in any other unfair practices under the CPFTA;
  - (b) shall ensure that all information that would be relevant to a consumer in deciding whether to purchase Natural Salon's services or products (e.g. pricing, disclaimers, and terms and conditions) are listed clearly and prominently on advertising or marketing materials;
  - (c) include in their contracts/invoices/receipts for their services or products a term that allows consumers a 5-day cooling off period to cancel their transactions and make sure that this term is acknowledged by consumers;
  - (d) put in place an internal compliance policy to make sure that their marketing materials and practices comply with the CPFTA; and
  - (e) make sure that their staff undergo training to familiarise themselves with the types of conduct that would amount to an unfair practice under the CPFTA and maintain records of the training undergone by each staff.
8. CCCS has accepted the undertaking and issued a warning to Natural Salon.

9. Whilst CCCS has closed the case, it might re-open investigations if Natural Salon breaches the undertaking or engages in any other unfair practices. CCCS can seek court declarations and injunctions against persistently errant suppliers.
10. “Businesses in the beauty industry should accurately represent the price and any accompanying terms and conditions to consumers and obtain their consent before performing the service. Demanding payment for the supply of unsolicited services is an unfair practice which CCCS can take action against.” said CCCS’s Chief Executive, Ms. Sia Aik Kor.
11. Consumers are not obliged to pay for unsolicited services. Consumers should be wary of any offers that seem too good to be true and should confirm the prices of services before they are performed to avoid subsequent disputes. Consumers who encounter unfair practices can approach CASE for assistance. For more information, please visit [www.case.org.sg](http://www.case.org.sg) or call 6277 5100.

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## **Encl. Infographic: Be a trusted retailer in the beauty industry**

### **About the Competition and Consumer Commission of Singapore**

The Competition and Consumer Commission of Singapore (“**CCCS**”) is a statutory board of the Ministry of Trade and Industry. CCCS administers and enforces the Competition Act 2004 which empowers CCCS to investigate and adjudicate anti-competitive activities, issue directions to stop or prevent anti-competitive activities and impose financial penalties. CCCS is also the administering agency of the Consumer Protection (Fair Trading) Act 2003 or (“**CPFTA**”) which protects consumers against unfair trade practices in Singapore. Our mission is to make markets work well to create opportunities and choices for businesses and consumers in Singapore.

For more information, please visit [www.cccs.gov.sg](http://www.cccs.gov.sg).

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# Be a **trusted** retailer in the beauty industry.



## DO'S



### BEAUTY RETAILERS **SHOULD:**

Provide clear and accurate information on the prices, discounts and promotions to consumers before treatment/ service is done.



### BEAUTY RETAILERS **SHOULD:**

Ensure discount or price benefit is genuine.



### BEAUTY RETAILERS **SHOULD:**

Ensure claims made on their products or services are true and accurate.



## DON'TS



### BEAUTY RETAILERS **SHOULD NOT:**

Promote products/ services to consumers in circumstances where they are unable to clearly comprehend or respond.



### BEAUTY RETAILERS **SHOULD NOT:**

Pressure their customers into buying products/ services.



### BEAUTY RETAILERS **SHOULD NOT:**

Make unsubstantiated claims or guarantees about the results or effects of their products/ services.



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For more information on Fair Trading Practices for Beauty Industry, visit [www.cccs.gov.sg](http://www.cccs.gov.sg) or scan the QR code >>