



Persatuan Pengguna Pulau Pinang Consumers Association of Penang

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Press Statement

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CAP calls for introduction of the Lemon Law in Malaysia

The Consumers' Association of Penang (CAP) urges the government to implement the Lemon Law which is a remedy for purchasers of consumer products, particularly motorized vehicles, that repeatedly fail to meet with the standards of quality and performance. Lemon Law strengthens the Consumer Protection Act. It should be introduced to provide consumers holding onto 'lemons' (nice to see but sour and tart to taste) an avenue of legal redress.

This law requires defective cars to be repaired or replaced. A consumer may request for a reduction in price, or gets a refund. Currently countries such as the United States, Singapore, South Korea, China, and the Philippines have implemented the Lemon Law.

The Lemon Law is incorporated into Singapore's Consumer Protection (Fair Trading) Act (CPFTA) 2004. We can also do so with our Consumer Protection Act (CPA) 1999.

It considers:

- > The nature of the problem.
- > The number of days that the vehicle is unavailable to the consumer for repair of the same mechanical issue.
- > The number of repair attempts made.
- > If the repairs cannot be completed within the number of days stated in the Act, the manufacturer is obligated to buy back the defective vehicle.
- > The Lemon Law covers secondhand cars as well, introducing a Standard Vehicle Assessment Report checklist. This check list of items ranged from visual, equipment and road test checks concurrently by both the dealer and the buyer to ensure transparency.
- > It covers a wide range of defects from aesthetics to mechanical related issues.

In most cases, the various defects found in new cars leave car owners with little option except going for car repairs at authorised car workshops. As it is now, vehicle owners may encounter:

- > Workshops that would conduct trial-and-error repairs, repairing one part to find the problem not solved then proceeding on with another repair. The service centre buys time until the warranty period expires and the car owner is then left to pay for subsequent repairs of the same defects.
- > Engineers' false diagnosis and find faults with vehicle owners (like over-running the service interval) to decline claims for major defects.
- > There are cases of vehicles lying in workshops for months, up to six months or more, and yet unable to provide a diagnosis, let alone repair the vehicle.
- > Car service centres that refuse to admit that a defect cannot be fixed and thus it does not need to refund or replace with another car as required by the CPA 1999.

- > A deprivation of the use of his car each time it is in the workshop. Therefore, it is pertinent to ascertain the number of times a new car undergo repairs before the owner can file a case at the Tribunal.
- > Uncertainty about how long the vehicle is going to remain in the service centre.

We have been receiving varied complaints from consumers concerning various car defects over the years. Many letters and reminders had been written to the car dealers and relevant government agencies but we either received denials, evasive replies, or slow response. Which government agency is responsible in monitoring the industry?

Defective cars are not only a rip-off of consumers, they are also unsafe on the roads and a danger to other road users.

With the Lemon Law in Singapore, a consumer can:

- > Make a claim for a defective product (also known as lemons) purchased within 6 months.
- > Expect the seller of the defective product to repair, replace, refund or reduce the price of the defective product (subject to certain conditions).
- > Get the defective product repaired within a reasonable time at the seller's cost.
- > Get the defective product replaced within a reasonable time at the seller's cost.
- > Ask for a price reduction while keeping the product or return the product for a refund if the seller fails to repair.

CAP calls on the Government to introduce the Lemon Law and would suggest that it is reasonable that a seriously defective car be repaired in a maximum of a month, and three attempts is reasonable for the service centre to repair the same defect before the Lemon Law applies.

We reiterate that the government should introduce the Lemon Law to ensure that car manufacturers be held responsible for their defective products and to repair the vehicle satisfactorily as required by the law. The number of defective new cars that Malaysians are hopelessly holding on with no avenue for legal redress is worrying.

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