



**NCAC**  
国民生活センター

**National Consumer Affairs Center of Japan**

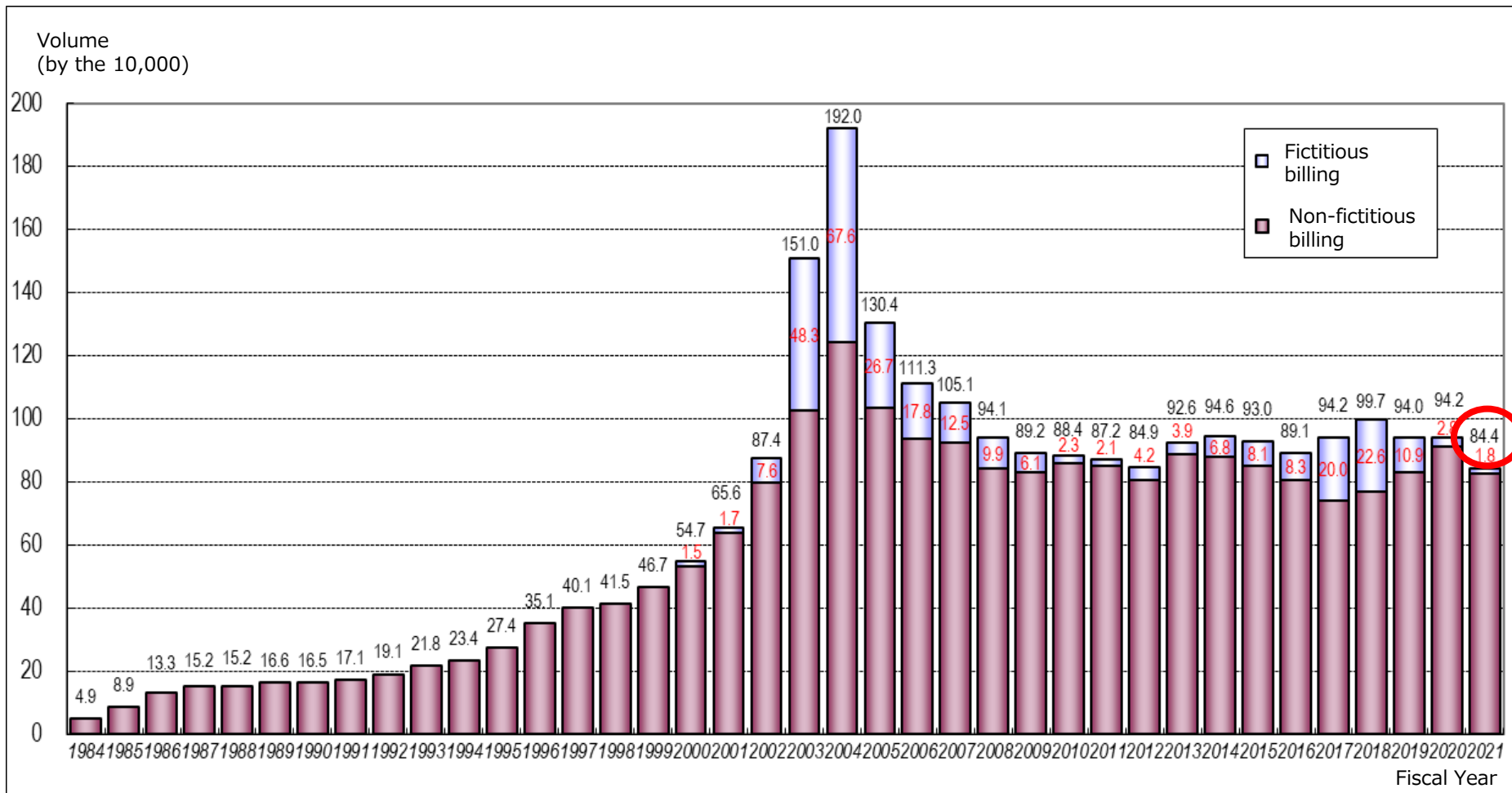
# Current State of Consumer Affairs Consultation in the Wake of Digitalization

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National Consumer Affairs Center of Japan**

# 1. Consumer Affairs Consultation Status

- Consumer affairs centers nationwide receive about 840,000 consultations per year (FY2021).
- The reason for the lower numbers compared to the last fiscal year is due to a decrease in inquiries about billing fraud and those related to COVID-19.



\* PIO-NET (Practical Living Information Online Network System) is a database that collects information on inquiries concerning consumer affairs by linking NCAC with local consumer affairs centers and similar organizations across Japan via an online network. Consultations via consumer affairs centers, etc. are not included from FY 2008 onward.

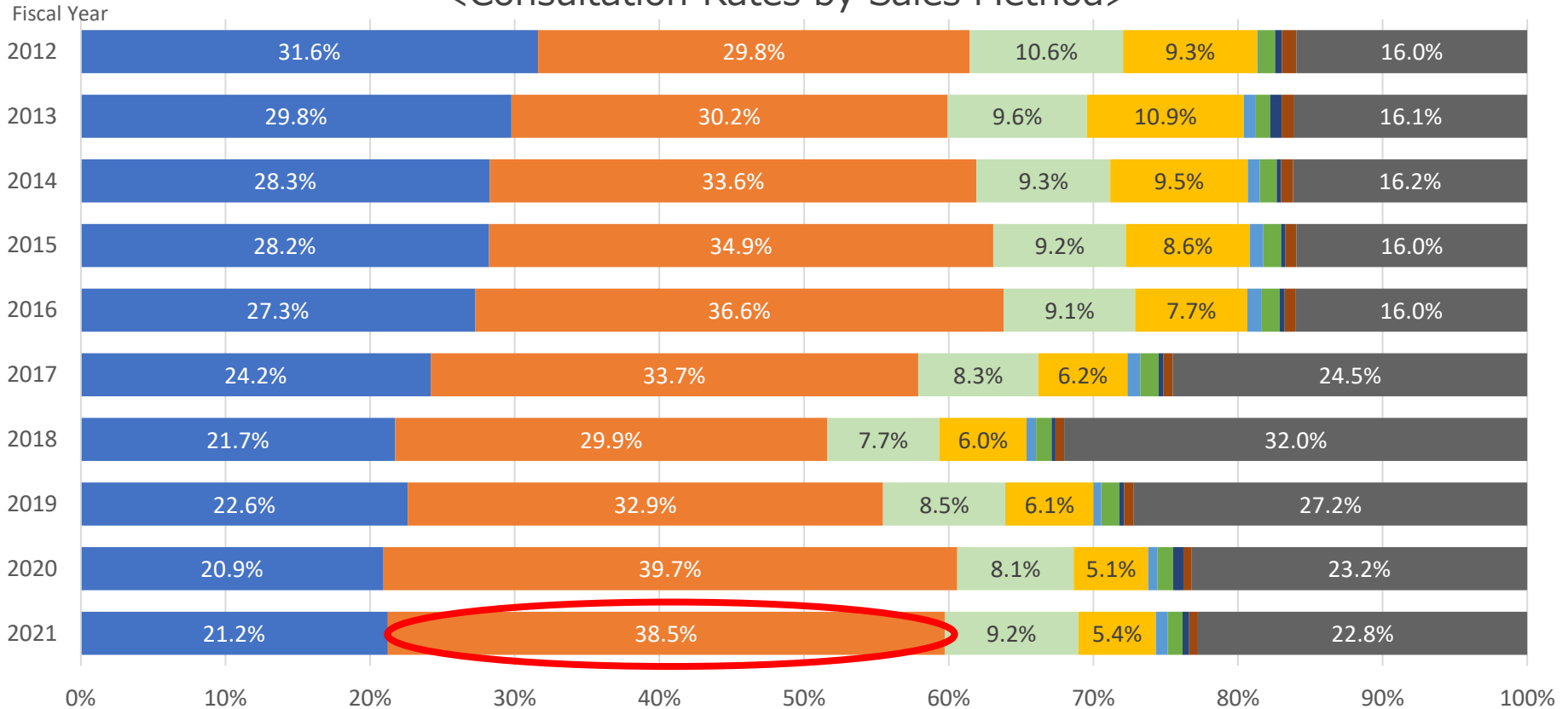
\* The registered data is up to May 31, 2022.

\* The number of billing fraud has been counted since FY2000.

# 2. Trends in Consultation Rates by Sales Method

- The consultation rate for in-store purchases is on the decline and was down to 20% in FY2021.
- On the other hand, the consultation rate for mail order sales is the highest by sales method, at approximately 40%.

<Consultation Rates by Sales Method>

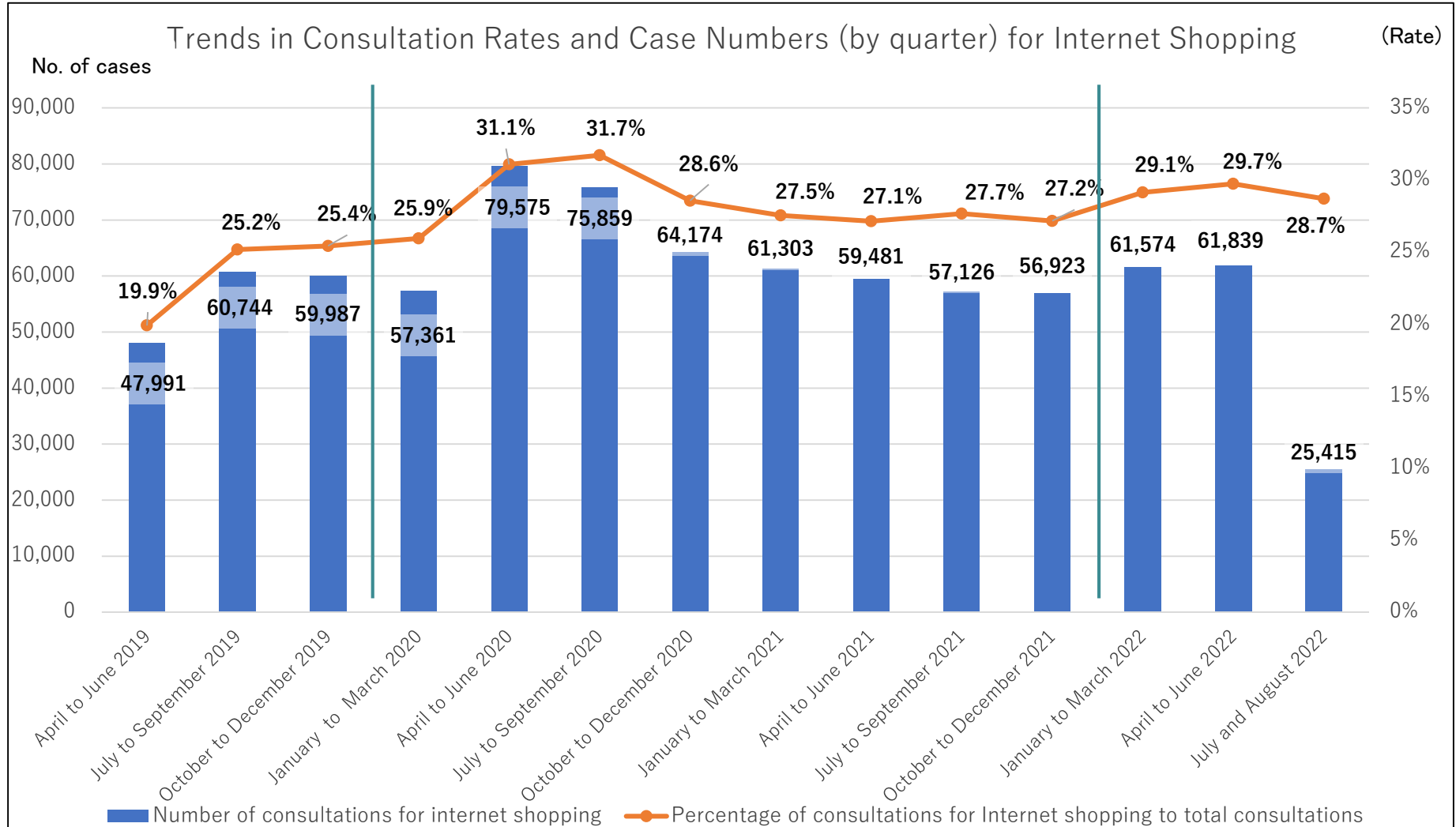


■ In-store Purchase ■ Mail Order Sales ■ Door-to-Door Sales ■ Telemarketing Sales ■ Door-to-Door Purchase ■ Multilevel Marketing Transactions ■ Negative option ■ Other types of non-store selling ■ Unknown or Unrelated

- \* Door-to-door sales include home-to-home sales, appointment sales, bait-and-switch schemes, catch sales, etc.
- \* Door-to-door sales was newly established after February 21, 2013, due to the revision of the Specified Commercial Transactions Act.
- \* The data used is from PIO-NET's registry (until May 31, 2022).
- \* The rates in the table are calculated with the total number of cases by year set at 100 and rounded to the first decimal place.

# 3. Consultations for Internet Shopping Problems

Consultations increased around April 2020, when a state of emergency was declared due to the increase in COVID-19 infections.



\* The data used is from PIO-NET's registry (until August 31, 2022).

\* Due to changes in the classification of content keywords, time-series comparisons between FY2020 and FY2021 are not available for Internet shopping.

# 4. Factors Causing Problems in Internet Shopping

## 【Internet Shopping in General】

- It is difficult to judge the credibility of a business and the quality of its products and services (information is only displayed and depends on word-of-mouth)
- Consumption behavior is guided by the website design (e.g., consumers rushed by countdowns, hard to understand subscription contract cancellation, and the contents of the contract cannot be seen without scrolling, etc.)
- Sales conditions, cancellation conditions, and product effects are often displayed in a way that encourages consumers to purchase the product

## 【Problems with Overseas Business Operators】

- When ordering from websites or online shops with Japanese as the display language, consumers are not aware that the contracting party is an overseas business operator
- It is difficult to communicate complaints due to language barriers, discrepancy between the consumer's expected response and the actual response by the seller

## 【Fraud Problems】

- It is difficult for consumers with no specialized knowledge to identify fake websites, phishing e-mails, etc.
- Since it is possible to do business without a physical store, malicious businesses can hide their location (even if it is unknown whether the business actually exists)

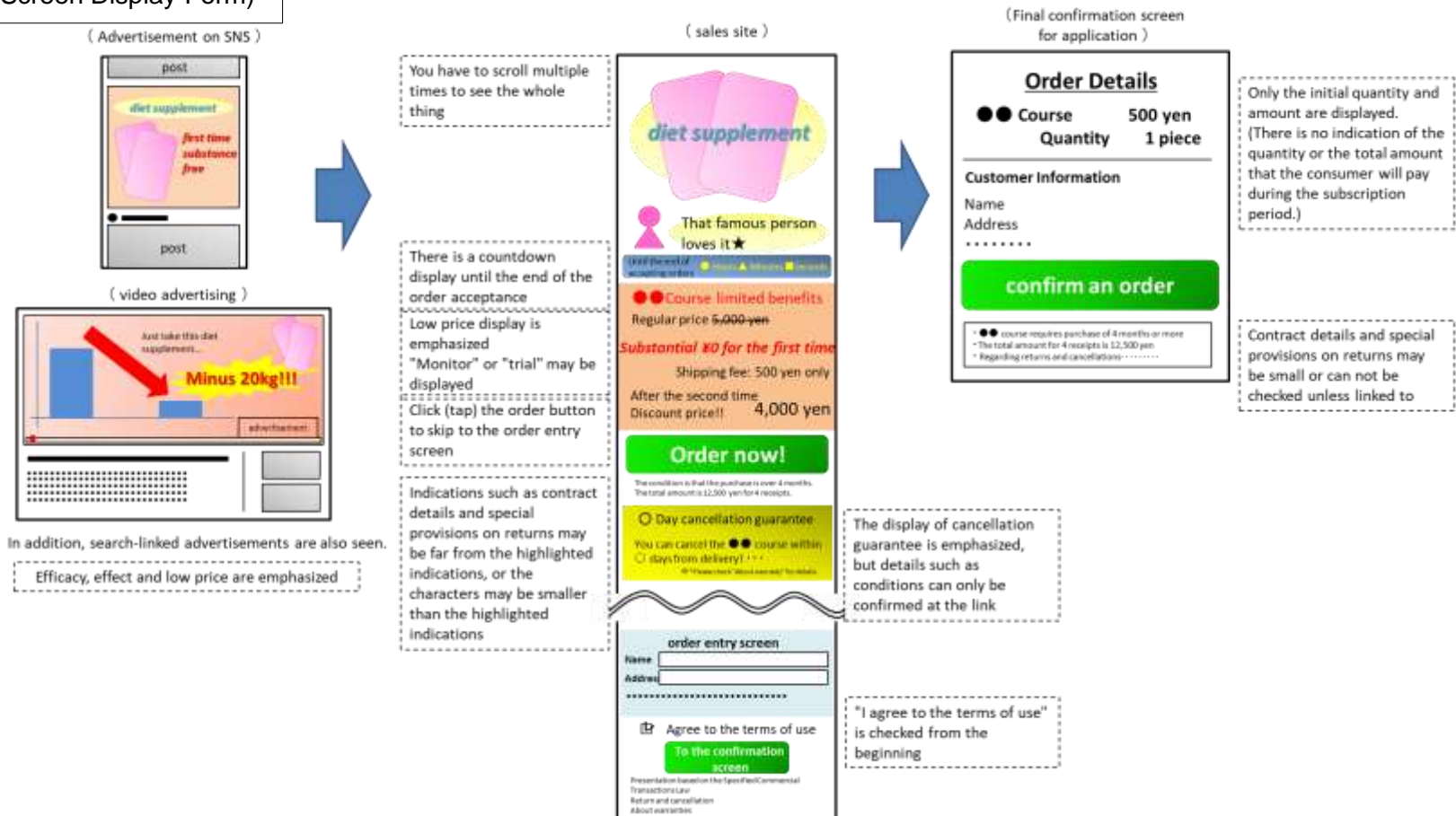
# 5. Examples of Major Problems in Internet Shopping

## Subscription

(Characteristic of the contracting party) 40 years old or older

(Main Content) I saw a web ad for a supplement with “First time 500 yen” as the caption and bought it as a one-time purchase, but it turns out to be a contract for a subscription purchase of 5,000 yen from the second time onwards.

Example (Screen Display Form)



## 5. Examples of Major Problems in Internet Shopping

### Side Business Schemes

(Characteristic of the contracting party) 20s

(Main Content) I saw an ad on SNS saying that I can earn from side businesses if I buy the e-book, but I can't earn even after following what the book said.

### Fraudulent Websites

(Characteristic of the contracting party) 40s–50s

(Main Content) After ordering an item on the Internet, I realized that the website was a fake site that misled me into thinking it was the website of a real company.

### Fishing

(Characteristic of the contracting party) 40 years old or older

(Main Content) I received an e-mail pretending to be from a real company and was directed to a fake website where my credit card number was fraudulently obtained.

## 5. Examples of Major Problems in Internet Shopping

### Flea Market Services

(Characteristic of the contracting party) 20s–50s

(Main Content) I bought a branded bag on a flea market app, but the bag I received was a fake and I can't contact the seller.

### False Alerts

(Characteristic of the contracting party) 60 years old or older

(Main Content) While browsing the Internet, a fake warning screen and sound saying that my device was infected with a virus appeared, and when I called the phone number displayed, I was charged for virus removal.

### Online Games

(Characteristic of the contracting party) Under 20 years old

(Main Content) An elementary school child played online games on a shared tablet by the family and charged high amounts to the device's registered credit card without parental consent.