

# Door to Society

- Ability to conclude a contract in your name
- Ability to use the Consumer Affairs Center
- Knowledge that consumer action can change society

Become an **independent consumer** through 12 quizzes

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# Consumers playing a key role in society

Consumer Civil Society

There are many shops and companies you didn't notice!

## Look at the town, and try the quiz!

Try these quizzes to become an independent consumer.

**Q1** When is the contract concluded when shopping in a store?

- ① When you receive the product.
- ② When you make the payment.
- ③ When the store staff member says, "OK, I got your order."

**Q2** I bought a product in a store, but I did not use it and do not need it anymore. Can I cancel this contract?

- ① You cannot cancel it.
- ② You can cancel it within a week if you have a receipt.
- ③ You can cancel it if you have not opened the product package.

**Q10** Can you claim damages when a product causes an accident?

- ① You cannot claim damages.
- ② You can demand only the price of the product.
- ③ If it is caused by the product defect, you can claim damages extensively, including medical expenses.

**Q11** Which number should you call when you want advice on consumer affairs?

- ① Consumer Hotline 118
- ② Consumer Hotline 188
- ③ Consumer Hotline 189

**Q9** Is there any investment that makes profits for sure?

- ① There is no investment that makes profits for sure.
- ② An investment using the pyramid scheme makes profits for sure.
- ③ Experts know how to make profits for sure.

**Q8** I borrowed 200,000 yen from a financial institution at the annual interest rate of 17% to go to a driving school. If I pay back 5,000 yen every month, how much will I pay back in total?

- ① Approximately 230,000 yen
- ② Approximately 260,000 yen
- ③ Approximately 290,000 yen

Supermarket

Travel agency

Convenience store

Jewelry shop

Moving company trucks

Toy shop

Casualty insurance company

Consumer Affairs Center

Bank

Loan company ATM

Sports shop

Dubious investment company

Car dealer

We are all consumers.

Actions of each consumer have a large impact on society and economy.

What can you do for Consumer Civil Society where consumers play a key role and live well?

## Consumer rights

(from the Basic Act on Consumer Policies)

\*When the basic demand of consumers are satisfied and a healthy living environment are guaranteed,

1. consumer safety is guaranteed
2. opportunities to make choices are guaranteed
3. necessary information is provided
4. education (for consumers) is guaranteed
5. opinions of consumers are reflected in the policies
6. damages suffered by consumers are redressed

Cosmetic business operator

English conversation school

Beauty salon

Q3

**A 17-year-old high school student bought a cosmetic set for 100,000 yen without telling her parents. Can this contract be rescinded?**

- ① It cannot be rescinded.
- ② It can be rescinded because it was concluded by a minor.
- ③ It can be rescinded only when her parents request rescission.

Q4

**I was stopped on the street and solicited to visit an exhibition and buy a painting for 100,000 yen. I could not refuse it. Can I use the cooling-off system for this contract?**

- ① You can use the cooling-off system if the business operator lied to you while soliciting.
- ② You can use the cooling-off system if you have not used the product (hung the painting).
- ③ You can use the cooling-off system within eight days from the date of purchase.

Rental kimono shop

Art exhibition

Life insurance company

Q12

**What will you do if you have a consumer problem?**

- ① I will be patient and will not do anything.
- ② I will write slander toward the business operator online.
- ③ I will consult the Consumer Affairs Center or the business operator\* (customer service).



\*Sometimes called a "company" or "seller": specifically, it refers to a seller, manufacturer, or a financial institution (credit company and others).

Q5

**I bought a T-shirt online, but it does not suit me. Can I use the cooling-off system for this contract?**

- ① You cannot use the cooling-off system.
- ② You can use the cooling-off system within 14 days from the date of purchase.
- ③ You can use the cooling-off system if you have not received the product.



Furniture shop

Real estate agency

Apartment building

Q7

**Among the credit card payment methods, which one is likely to make you lose count of the balance?**

- ① Payment in 36 installments
- ② Revolving payment
- ③ One-time bonus payment

Q6

**Which payment method allows you to pay after the purchase?**

- ① Buying with a debit card.
- ② Buying with a credit card.
- ③ Buying with a prepaid card.

Shopping mall

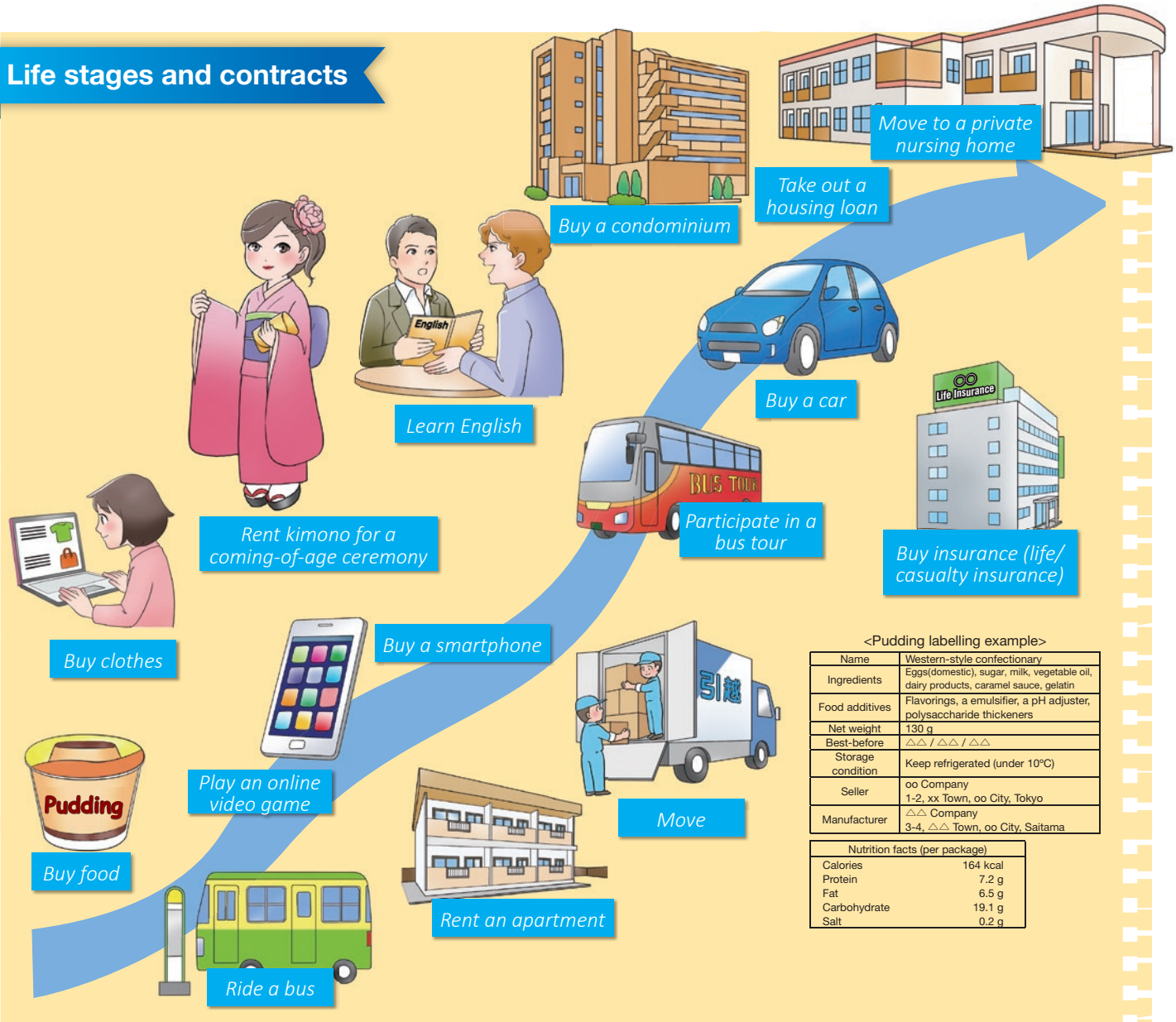
Credit card company



# Let's learn about **contracts**!

As consumers, we all conclude contracts with business operators in our everyday life.  
Let's think about contracts from the viewpoint of consumers.

## Life stages and contracts



<Pudding labelling example>

Name	Western-style confectionary
Ingredients	Eggs(domestic), sugar, milk, vegetable oil, dairy products, caramel sauce, gelatin
Food additives	Flavorings, a emulsifier, a pH adjuster, polysaccharide thickeners
Net weight	130 g
Best-before	△△ / △△ / △△
Storage condition	Keep refrigerated (under 10°C)
Seller	oo Company 1-2, xx Town, oo City, Tokyo
Manufacturer	△△ Company 3-4, △△ Town, oo City, Saitama
Nutrition facts (per package)	
Calories	164 kcal
Protein	7.2 g
Fat	6.5 g
Carbohydrate	19.1 g
Salt	0.2 g

## 1 Conclude a contract

Q1 & A1

**When is the contract concluded when shopping in a store?**

➡ ③ When the store staff member says, "OK, I got your order."



- A contract is concluded when the consumer and the business operator agree on the contract contents, such as product, price, and delivery date. This means that an oral promise is enough to conclude a contract. Contract documents and seals/signatures are used as proof.

**Work 1** When you conclude a contract for each of the above items, what kind of information should you collect to choose a product/service? What rights and duties will the contract give to the consumer and the business operator?

(Hint) Where can you get information on a product/service? For example, you might look at the package to choose a product (see the example of the pudding labelling above). And what do you expect from the product/service? Imagine how you would conclude a contract.

## 2

### Fulfill a contract

Q2 & A2

**I bought a product in a store, but I did not use it and do not need it anymore.**

**Can I cancel this contract?**

➔ **① You cannot cancel it.**

- A contract is a “promise with legal responsibility” and is, therefore, legally binding.

If you do not fulfill the contract, you might be sued.

Bought a gift.



But broke up before giving the gift...



Sorry! The contract cannot be cancelled in principle even if you have the receipt or you have not opened the product package.

**Work 2** Why do we need to fulfill the contract once we conclude it?  
(Hint) Think from the viewpoint of both consumers and business operators.

## 3

### Rescind a contract concluded by a minor

Q3 & A3

**A 17-year-old high school student bought a cosmetic set for 100,000 yen without telling her parents. Can this contract be rescinded?**

➔ **② It can be rescinded because it was concluded by a minor.**

- When a minor with little life experience concludes a contract without the consent of a legal representative (guardians such as parents), the contract can be rescinded.
- The contract concluded by a minor can be rescinded by the minor or the legal representative.
- By rescinding the contract, the minor returns the received product (if any) to the business operator and gets back the paid money (if any).

\*However, contracts concluded by minors cannot be rescinded if the contract amount is within the limit of their allowance, or if they actively lied that they were adults or that they had consent of their legal representative.

#### Contracts concluded by minors and consumer damage

Business operators do not want the contract to be rescinded because it was concluded by a minor. Malicious business operators therefore **target consumers who recently became adult.**



They might get to know your age from casual conversations.

If you have questions or problems regarding consumer affairs, call the Consumer Affairs Center. (☎188)

(The phone number is available in Japanese only.)

# 4

## Cancel a contract (“cooling-off”)

Q4 & A4

**I was stopped on the street and solicited to visit an exhibition and buy a painting for 100,000 yen. I could not refuse it. Can I use the cooling-off system for this contract?**

**3 You can use the cooling-off system within eight days from the date of purchase.**



- Contracts must be fulfilled in principle, but transactions that are likely to cause problems for consumers can be cancelled through the “cooling-off” system (Act on Specified Commercial Transactions).

Regardless of the reason.



cooling off



Cool off the head

- The cooling-off system allows the consumer to return the received product to the business operator and get back the paid money in full.
- For more information, search

National Consumer Affairs Center Cooling-off

### ○ Sales methods that often cause problems for young consumers and cooling-off periods

From the date of contract

Sales method	Characteristics	Period
Door-to-door sales, street solicitation <sup>1</sup> , appointment sales <sup>2</sup>	Consumers are solicited unexpectedly (sales person suddenly coming to the door, suddenly being stopped on the street <sup>1</sup> , suddenly receiving a call for an appointment <sup>2</sup> ).	8 days
Continuous services	Seven kinds of services, including a language school, a beauty salon, a private tutor and a cramming school. The cooling-off system can be used even when you went to the store yourself and concluded a contract.	8 days
Multilevel marketing transactions (also called a pyramid scheme or networking business)	Friends and acquaintances invite you, saying that it allows you to earn money quickly and receive incentives by introducing it to other people. Under various pretexts, you will be asked to pay money.	20 days

### Work 3 Why does the law stipulate the cooling-off system for the above transactions?

(Hint) Think about the situation of the consumer in Q4 and the characteristics in the above table.

#### Plus α

**Can you cancel a contract when the cooling-off system cannot be used?**

This is not what I thought!



I couldn't refuse!



- When a business operator said what is not true.
- When a business operator explained only the advantages and omitted the disadvantages.
- When a sales person continued to solicit despite being told to leave.
- When a sales staff prevented you from leaving the store and continued to solicit.

➔ Contracts concluded in such situations can be rescinded in accordance with the Consumer Contract Act.

**[Advanced 1]** Fill in the blank \_\_\_\_\_ and discuss the situations consumers are in.

The Consumer Contract Act is a rule that focuses on a \_\_\_\_\_ in the quality and quantity of information and on the negotiating power between consumers and business operators.

If you wonder whether you can cancel a contract when the account differs, call the Consumer Affairs Center. (☎188)

(The phone number is available in Japanese only.)



# Beware! Pitfalls of the cooling-off system -In case of online shopping-

(also called e-shopping or e-commerce (EC))



Q5 & A5

**I bought a T-shirt online, but it does not suit me. Can I use the cooling-off system for this contract?**

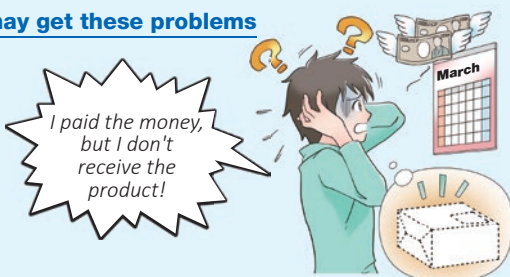
➔ **① You cannot use the cooling-off system.**



- There is no legal cooling-off system for online shopping.
- However, each online shop has its own rules and conditions regarding the return.
- Always check the return rules (terms of use) before placing an order.

## Beware of online shops!

You may get these problems



In other cases...

Fake products

Fake contact information

Example of a suspicious online shop



URL is not natural  
(different from the URL of the website you want to buy from)

Outdated fonts that are not usually used are included

The address is incomplete

The price is extremely discounted

Only the e-mail address is provided; no telephone number

You can only pay by bank transfer

There are unnatural expressions that seem to be machine translated

(Created based on information on the Consumer Affairs Agency website)

### False billing, unfair billing

- There was no confirmation page, and I was registered and billed right away.
- I was billed only by clicking an image or age verification button.

It also happens on pornographic sites

➔ **The possibility of false billing is high.**



### Measures

**Do not pay. Do not contact.**

- If you contact, the malicious business operator will ask you to pay money persistently.
- As long as you do not reveal (input) your information online by yourself, they cannot identify who you are.

### [Advanced 2]

Make a display screen for an online shop.

(Hint) Remember rules of the Act on Specified Commercial Transactions. The key is to put clear information the consumers need.

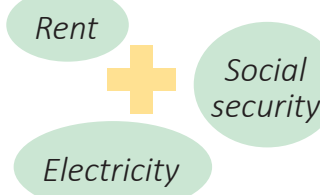
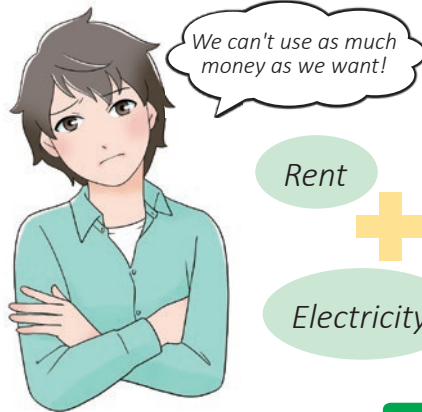
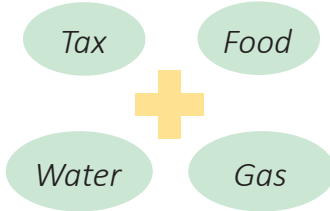
If you have an online shopping problem, call the Consumer Affairs Center. (☎ 188)

(The phone number is available in Japanese only.)

# Let's learn about **money** !

Money is an indispensable payment method for consumers. Let's think about the flow of money in your life.

## Life and money



## 1 Pay money (by card)

There are many payment methods other than cash, and cashless payment is spreading. Let's learn about credit cards whose contract is complex.

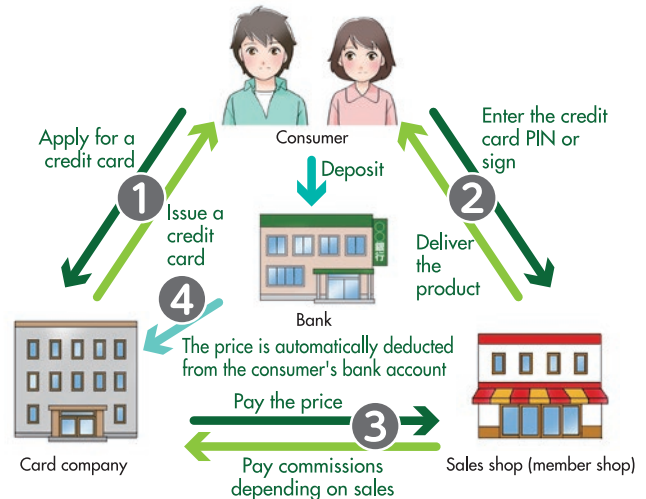


**Which payment method allows you to pay after the purchase?**

### ② Buying with a credit card.



- The **card company** makes a payment to the **sales shop**. The **consumer** gets the product first and makes a payment to the **card company** in a single or multiple installments before the payment deadline.
- The consumer must prepare the money before the payment deadline.



## ○ Credit card payment methods and fees \*Fees are charged for installment payment and revolving payment.

Payment method		Commission fees
Single payment (full payment, monthly clearance)	Pay the price at once	No
Installment payment	Pay the price in multiple monthly installments	Yes
Revolving payment	Pay a fixed amount of money or a fixed percentage of the balance every month. The number of installments is not fixed.	Yes

**Work 4**

- Think about the advantages and disadvantages of using a credit card from the viewpoint of consumers, sales shops and card companies.
- Who owns the product purchased with a credit card until the payment is made to the card company?
- How did the spread of credit cards affect the consumer lifestyle?

(Hint) Refer to the above diagram of the credit card system. Think about how it relates to the spread of the Internet.



Q7 & A7

**Among the credit card payment methods, which one is likely to make you lose count of the balance?**

➔ **② Revolving payment**



- Revolving payment allows you to pay a fixed amount or a fixed percentage of the balance every month. However, the payment may extend over a long time, and commission fees pile up, increasing the total payment.
- A regular payment continues every month in revolving payment, and you might lose count of the balance.

**Work 5** Study the characteristics of various payment methods in the cashless age.  
(Hint) List specific examples of prepaid cards (including electronic money) and debit cards.

*Cash advance* by a credit card is the same as borrowing money from a loan company.

Be careful of using the card too much



2

## Borrow money

Q8 & A8

**I borrowed 200,000 yen from a financial institution at the annual interest rate of 17% to go to a driving school. If I pay back 5,000 yen every month, how much will I pay back in total?**

➔ **③ Approximately 290,000 yen** (repayment will complete in 60 months (5 years))



- Money borrowed from a financial institution must be paid back with interest.  
**Interest = Borrowed amount (principal) x Annual interest rate x Borrowing period**
- The interest is charged on the balance after paying back the fixed amount every month. Therefore, if you pay back bit by bit, the repayment period becomes longer and the total repayment amount increases.
- Scholarship loans (which require repayment) and housing loans are also debts. Before borrowing money, always check the repayment plan proposed by the financial institution and think about how you will pay back after using that money.

**[Plus α Q]** You borrowed 200,000 yen at an annual interest rate of 17%. How much will the total repayment amount be if you pay back in full a month (30 days) later or if you pay back 20,000 yen every month? See how the repayment amount changes depending on the repayment period.

- (Hint) ○ Annual interest rate is a percentage of interest on the principal in case of borrowing for a year.  
Interest for a month = Principal (borrowed amount) x Annual interest rate x Borrowing period (1/12 months)  
Therefore, the amount to be repaid in full a month later is [the principal + interest for a month].
- Repaying a fixed amount (principal + interest) every month is called the equal monthly repayment system. For example, if you pay back 20,000 yen every month, the interest is included in 20,000 yen, so the repaid principal amount is actually [20,000 yen - interest]. In the following month, the interest is charged on the balance of the principal. The repayment thus continues until the balance of the principal is zero.

### ○ Multiple debts

By borrowing money repeatedly from multiple financial institutions, debts accumulate, and the repayment becomes difficult.

**Debt**

- Unemployment
- Unexpected expenses due to accidents/disasters
- Addiction to gambling
- Decrease in income
- Damages due to malicious sales
- Anyone can have multiple debts even without spending excessively
- Inability to work due to illness/injury
- Inability to work due to a family member's illness/nursing
- Paying off debt as a joint guarantor

**If you have a credit or debt problem, call the Consumer Affairs Center. (☎188)**

You will be directed to an appropriate service.  
(The phone number is available in Japanese only.)

# 3

## Money for future

Money can also be saved, used to prepare for the future, or managed (invested).

Save	Prepare for the future	Manage (invest)
Savings account	Life insurance, casualty insurance	Stocks, bonds, etc.

Q9 & A9

**Is there any investment that makes profits for sure?**

➔ **① There is no investment that makes profits for sure.**



- There are financial products that guarantee the principal and those that do not.
- Generally, the higher the profits are, the higher the risks will be. Some financial products may cause you losses that exceed the principal.
- There are various financial products, but do not buy them if you cannot understand their system or risks.
- Learn about the risks well before making an investment.



**If you have questions about financial products, call the Consumer Affairs Center. (☎188)**

(The phone number is available in Japanese only.)

## Let's learn about safety in everyday life !

Product/service accidents may cause injury or even death. Let's pay attention to safety and prevent accidents from happening again.

### Danger in everyday life



Eye injury due to colored contact lenses



Smoke and ignition from smartphone chargers



Burns due to hair removal

**Check product accidents and recall information**  
(Consumer Affairs Agency website)

回収・無償修理等  
消費者庁  
リコール情報サイト

事故情報データベースシステム

Q10 & A10

**Can you claim damages when a product causes an accident?**

➔ **③ If it is caused by the product defect, you can claim damages extensively, including medical expenses.**

**Work 6** If the accidents illustrated above occur, how should consumers react? Discuss with people around you.

(Hint) In case of an accident such as physical injury and fire, who should you contact first and how should you react?

And who should you contact to claim damages caused to you and prevent the accident from happening again?

**If you find a dangerous product/service, call the Consumer Affairs Center. (☎188)**

(The phone number is available in Japanese only.)

# Let's learn about the Consumer Affairs Center!

Q11 & A11

**Which number should you call when you want advice on consumer affairs?**

➔ **② Consumer Hotline 188** Also available on Saturdays, Sundays and holidays.

(The phone number is available in Japanese only.)



## Consumer Affairs Center

About 800 Consumer Affairs Centers are located across Japan and managed by local governments.

You can consult us by phone or face to face.

Please visit the Consumer Affairs Center in your residence/work/school area.



You can ask us anything about consumer affairs!

Free consultation

### ● Whom can I consult?

A: You can consult nationally certified **Consumer Affairs Consultants** and other staff with expert knowledge and technology.

### ● What can the Consumer Affairs Consultants do?

A: In accordance with laws related to consumer affairs, they can give you advice on solving the problem and mediate between you and the business operator to help you recover the damages.

### ● Will my secrets be kept confidential?

A: We have the duty of confidentiality, so your information will be kept confidential and not be revealed.



**Work 7** Visit the Consumer Affairs Center near you to learn more about damages suffered by consumers and talk to Consumer Affairs Consultants.

### [Advanced 3]

In the above illustration, the consumer is consulting the Consumer Affairs Center regarding the networking business. Find the problems from the conversation, get information from the Consumer Affairs Center, and role-play a possible scenario for the first scene.

If you have a problem, call the Consumer Affairs Center, even after the cooling-off period. (☎188)

(The phone number is available in Japanese only.)



# Your action changes society!

In a "Consumer Civil Society" where consumers play a key role, consumers are expected to change society by taking actions. Let's think about your own actions as a member of a Consumer Civil Society.

Q12 & A12

## What will you do if you have a consumer problem?

➡ ③ I will consult the Consumer Affairs Center or the business operator (customer service).

**Work 8** Refer to the following diagram and think about the significance of consulting the Consumer Affairs Center or the business operator (customer service).

