


13th CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

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SENATE

S. BILL NO. 1345RECEIVED BY: 

Introduced by Senator Ralph G. Recto

EXPLANATORY NOTE

This bill upholds the right of a consumer to seek redress -- to be compensated for misrepresentation, shoddy goods or unsatisfactory services by requiring business establishments nationwide to set up consumer welfare desks (CWDs) and develop a comprehensive complaints-handling program.

The objective of this bill is to encourage the consumers to assert such a right and for the business sector to build consumer patronage by being responsive to the needs of the buying public.

The Department of Trade and Industry (DTI) reports that consumer complaints are growing fast, from 2,593 complaints in 1995 to 24,371 in 2000. This implies that consumers are becoming increasingly aware of their rights for redress and to seek intervention. Among the most popular complaints in 2000 pertained to consumer products and services warranties (5,297); service and repair shops (3,757) and product quality and safety (3,682).

According to DTI, one proven strong selling point to attract and keep satisfied and loyal clientele is making prospective customers aware that a firm has set up a pro-active CWD. The agency further said that reputable firms attest to the fact that consumers who complained about their problem and received satisfactory results exhibited the highest degree of continued patronage.

Business establishments should view consumer complaints positively, as early warning signs that the business may be violating some fair trade laws. The DTI stressed that it would provide firms an excellent opportunity to correct the problem as soon as it crops up. In lieu of market surveys which are costly, information gathered thru CWDs can help evaluate the quality of the firm's products as well as the kind of service and public relations of its personnel.

Indeed, the institutionalization of CWDs will be a milestone in consumer advocacy in the country.

In view of the foregoing, early passage of this bill is earnestly sought.


RALPH G. RECTO

¹ http://www.dticebu.net.ph/09_g_04.htm

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AN ACT
REQUIRING BUSINESS ESTABLISHMENTS NATIONWIDE TO SET UP CONSUMER
WELFARE DESKS (CWDs) AND DEVELOP COMPREHENSIVE COMPLAINTS-
HANDLING PROGRAM

*Be it enacted by the Senate and House of Representatives of the
Philippines in Congress assembled:*

1 **SECTION 1. Declaration of Policy.** - It is hereby declared a policy of
2 the State to recognize the right of consumers for redress, which is the right
3 to be compensated for misrepresentation, shoddy goods or unsatisfactory
4 services. Towards this end, the State shall encourage the consumers to
5 assert such a right and for the business sector to build consumer
6 patronage by being responsive to the needs of the buying public.

7 **SEC. 2. Consumer Welfare Desks (CWDs).** - All business
8 establishments nationwide shall set up CWDs to receive, record, resolve
9 consumer complaints pertaining to their products and/or services which
10 include, but not limited to, defective products, price discrepancies,
11 labeling, packaging, and "no return, no exchange" policy.

12 **SEC. 3. Comprehensive complaints-handling program.** - All
13 establishments covered under this Act shall:

- 1 (a) Provide specific guidelines to employees assigned to man
2 the CWDs and define how much discretion they can
3 exercise for specific cases;
- 4 (b) Ensure that consumers are not referred from one person to
5 another;
- 6 (c) Provide standardized complaints form to ensure that all
7 necessary information are elicited from the complainant,
8 whether complaints are by mail, telephone or walk-in;
- 9 (d) If necessary, conduct training seminars to improve staff
10 skills in handling complaints and to encourage them to
11 handle complaints courteously and fairly;
- 12 (e) Monitor the procedure to find out how effectively the
13 system works;
- 14 (f) Announce or post signs to the public the availability of a
15 CWD in the establishment;
- 16 (g) Place the CWD in a conspicuous place;
- 17 (h) Make the procedure simple, clear, and convenient;
- 18 (i) Assure the customer that complaints are accepted during
19 business hours, whether complaints are filed personally or
20 by phone.
- 21 (j) Make sure supervisors are available at all times to handle
22 complaints outside the CWD's jurisdiction;
- 23 (k) Give the consumer an opportunity to present his/her side;
- 24 (l) Endeavor to resolve complaints as fast as possible;

1 **SEC. 4. Implementing Rules and Regulations.** - The DTI and other
2 appropriate government agencies shall promulgate rules and regulations
3 necessary for the effective implementation of this Act.

4 **SEC. 5. Repealing Clause.** - All other laws, decrees, orders,
5 issuances and rules and regulations or parts thereof inconsistent with this
6 Act are hereby amended or repealed accordingly.

7
8 **SEC. 6. Separability Clause.** - The provisions of this Act are hereby
9 declared to be separable and, in the event any of such provisions is
10 declared unconstitutional, the order provision which is not affected
11 thereby shall remain in full force and effect.

12
13 **SEC. 7. Effectivity.** - This Act shall take effect fifteen (15) days after its
14 complete publication in at least two (2) newspapers of general
15 circulation.

16
17 Approved,
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