



Legal Update
Singapore



ADSAN LAW

CONSUMER PROTECTION LANDMARK RULING

In May 2025, the Singapore High Court delivered a *landmark ruling* affirming the strong enforcement of consumer-protection laws and setting an *important precedent* on sanctions for contempt of court in such cases.

Well done to the Dispute Resolution Team at Adsan Law LLC which had represented the Competition and Consumer Commission of Singapore (CCCS), and who were successful in various District Court and High Court hearings: Kenny Chooi assisted by Joel Yap and team.

Background (CCCS v Nail Palace)

CCCS uncovered deceptive sales of anti-fungal nail treatment packages at the Bukit Panjang Plaza and Eastpoint Mall outlets of Nail Palace ("**Defendants**").

CCCS thereupon commenced separate proceedings against the Defendants, and succeeded in obtaining declarations, injunctions, and accompanying orders against them.

District Court's orders against the Defendants

In this regard, the District Court *inter alia* made declarations of unfair practices against the Defendants, ordered them to cease misleading consumers, ordered them to publish full-page notices in the 4 major newspapers, and also ordered them to obtain written acknowledgements from consumers before entering into contracts with them.

The District Court issued a 66-page grounds of decision which dealt with many *novel* issues, as there had previously not been any reported written decision on these issues.

Dismissal of the Defendants' appeals to the High Court

CCCS also succeeded in obtaining a dismissal of the Defendants' subsequent appeals to the High Court against the District Court's orders.

The High Court issued a written judgment which was a *landmark judgment* on declarations, injunctions, and accompanying orders under the Consumer Protection (Fair Trading) Act ("**CPFTA**").

This was the first time that the High Court had to deal with and decide on such issues.

Dismissal of the Defendants' various other court applications

Apart from their aforesaid appeals to the High Court, the Defendants had also filed applications in the High Court to amend their appeals, and one of the Defendants had further filed a separate application to adduce fresh evidence.

However, CCCS succeeded, before the Judicial Commissioner (as he then was), in resisting all these applications. In this regard, the High Court had issued another written grounds of decision in relation to the dismissal of these applications, as there were legal issues which were *noteworthy*.

In addition, CCCS was successful in procuring a dismissal of the Defendants' applications to stay the execution of the District Court's orders pending the hearing of their appeals to the High Court.

This was despite the Defendants having argued vigorously that their appeals would be rendered *nugatory* if they had to publish notices in the 4 major newspapers and also notify consumers of the District Court's orders *prior* to the outcome of their appeals (on the basis that such notices and notifications, once done, would be irreversible).

Defendants' persistent non-compliance with the court orders

Notwithstanding the aforesaid matters, the Defendants persistently failed to notify consumers of the declarations and injunctions, and to obtain their written acknowledgements thereof.

In addition, the notices were only published in the 4 major newspapers almost 2 weeks past the deadline, and the Defendants had reproduced and condensed the District Judge's 66-page judgment into a one-page notice in each of the major newspapers.

The publications in Lianhe Zaobao, Berita Harian and Tamil Murasu were not translated into Chinese, Malay and Tamil, which were the respective languages used by each of the print media platforms for communicating news and notifications to the public.

Such notices had rendered the terms of the declarations and injunctions “*almost illegible and/or obscured*” and the publications “*ineffectual*”.

Commencement of committal proceedings, and the making of committal orders

In a first for CCCS (and likely also a first for any regulator or statutory board in Singapore), it commenced committal proceedings against the Defendants and their common managing director.

At the committal hearings, CCCS succeeded in persuading the District Judge that the Defendants and their common managing director were guilty of contempt of court.

CCCS also succeeded in persuading the District Judge that the appropriate sentence for the managing director was not a fine but a custodial sentence.

As such, although the Defendants and the managing director disputed both liability and sentence, the District Judge agreed with CCCS’ submissions.

The District Judge imposed a substantial fine on each of the Defendants, and sentenced the managing director to 4 months’ imprisonment.

The appeals to the High Court against the committal orders

The contemnors then appealed against the District Judge’s decision, initially against conviction, and subsequently arguing strongly that a fine would be a sufficient sentence for the managing director.

In May 2025, the High Court agreed with CCCS’ submissions that a custodial sentence was warranted in the circumstances, and upheld the imposition of an imprisonment term by the District Judge.

However, the High Court reduced the imprisonment term from 4 months to 3 months to take into account the fact that the Defendants had subsequently complied with one of the court orders.

Key takeaways

This case sets a strong precedent in consumer law and corporate governance.

The court’s decision to hold the director personally liable for the company’s misconduct (analogous to piercing the corporate veil) affirms the general principle that individuals in senior management have a duty to ensure that their companies comply with legal obligations, and cannot simply shield themselves behind the company’s deliberate misconduct.

The ruling also reinforces the principle that compliance with court orders is paramount, and that directors who undermine such orders made under the CPFTA are likely to be held accountable.

Why is this case a seminal precedent?

1. While CPFTA violations typically result in declarations and/or injunctions being ordered, this is the first instance where the regulator (CCCS) has enforced the court orders by way of a contempt of court action.
2. This is also the first instance that CCCS (or any regulator or statutory board, for that matter) has sought a custodial term (and not merely a fine) for the breach of court orders, which ultimately resulted in the imprisonment of the director.
3. This case demonstrates the regulator's seriousness in ensuring that the CPFTA and any orders made thereunder are strictly complied with.
4. The court's ruling also raises consumer awareness of unfair or misleading practices. It allows consumers to make informed purchasing decisions in deciding whether to enter into any transaction with business entities.
5. The High Court has therefore sent a clear signal that businesses which persistently mislead consumers, avoid accountability and disregard court orders will face serious consequences, which would include potential jail terms and not just fines for their management.



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