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- Car-sharing in Singapore has increasingly gained popularity in recent years, and is now a multi-million-dollar industry
- But it is also plagued by a slew of issues, with rising user complaints about technical glitches, hefty repair costs, high insurance excess, and poor customer service
- This has led to calls for the industry to be regulated, with maintenance standards to be met for instance
- However, some experts TODAY spoke to said a balance must be struck as overregulation could lead to higher costs for consumers
- Despite the issues faced, some users embrace car-sharing as a cost-effective mobility solution, while others remain cautious

When Certificate of Entitlement (COE) prices hit six figures last year, Mr Muhammad Aiman had no choice but to turn to car-sharing after scrapping his vehicle at the end of the COE's 10-year validity.

Now, the 43-year-old security supervisor who wanted to be known only by his first name relies on car-sharing to ferry his family around.

As his daily routine involves contending with peak-hour traffic to send his three children aged five to 16 to school before heading off to work, Mr Muhammad Aiman, sees a car as a necessity, not a luxury.

Occasionally, he also has to make time on weekdays to take his elderly parents to the clinic for their medical check-ups.

"With a car, I can rush between work to send them and go back to work. Plus, they are wheelchair-bound. The only way I can bring them out is by car as there is a maximum number of passengers a PHV (private-hire vehicle) and taxi can take."

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Given his heavy dependence on car-sharing services, Mr Muhammad Aiman was most affected by the recent glitch in the BlueSG app, which saw many users experiencing difficulties in ending their rentals, among other issues.

The disruption resulted in some users being billed exorbitant rental fees exceeding S\$1,000 (US\$746).

"The recent (disruption) has been very disappointing. It's been almost a month, and the issue is still not resolved," he told TODAY.

Still, having enjoyed the benefits of car-sharing, Mr Muhammad Aiman expects to continue using the service owing to his needs and responsibilities as a family man.

Car-sharing started several decades ago in Europe and became popular in the United States about 15 years ago. In Singapore, the service has grown only in recent years, especially after the COVID-19 pandemic subsided and COE prices continued to soar.

GetGo launched its service in February 2021 with 10,000 users. But it now serves over 350,000 registered users, the company said in response to TODAY's queries, becoming the market leader here in a short span of under three years.

Tribecar, founded in 2016, has seen an average of 30 per cent year-on-year increase in registered users during the same period. A Tribecar spokesperson, however, declined to reveal its total customer base when asked by TODAY.

According to global data gathering platform Statista, Singapore's car-sharing industry is projected to reach S\$245 million in revenue this year, with an expected annual growth rate of 6.23 per cent.

This means revenue is projected to grow to S\$311 million by 2028.

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However, rapid growth and higher usage have led to a sharp rise in consumer complaints against the car-sharing companies.

Amid news of users being slapped with hefty repair bills and booking cars with pre-existing defects, the Consumers Association of Singapore (Case) president Melvin Yong recently called for three major changes to improve the car-sharing experience for users:

- A mandatory maintenance regime
- Transparency on terms and conditions
- A clear dispute resolution process

At the same time, Mr Yong, as well as transport analysts TODAY spoke to, noted that users can take steps to better protect themselves.

These include getting a thorough understanding of the car-sharing firms' terms and conditions, as well as filming themselves inspecting the vehicle before and after use.

Given the current situation, is car-sharing a boon or bane for Singaporeans who want a set of wheels but cannot afford to own one in a land-scarce city which has a zero-car population growth policy to manage traffic congestion?

TODAY looks at the history of car-sharing, the challenges and opportunities in the industry, and how these communal vehicles fit into Singapore's car-lite aspiration.

#### HOW CAR-SHARING STARTED HERE

Although the car-sharing service in Singapore is fast-growing today, it has, in fact, been around for more than two decades.

It started in 1997 with the establishment of NTUC Income's car-sharing cooperative, which allowed individuals to share vehicles at a time when such a concept was completely foreign.

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The cooperative reached a turning point in 2010 when NTUC Income decided to cease its car-sharing service. Former employees then acquired the business and continuing operations under the name Car Club.

At that point in time, Car Club had 22 cars being shared among 300 members - a significant drop from its zenith, where it boasted nearly 190 cars and a membership of 4,500.

The legacy of Car Club lives on today after it was acquired by Tribecar in 2022. But several operators having come and gone - Smove closed down in 2020, and Whizzcar was also acquired by Tribecar in 2022.

Today, the car-sharing industry is driven by several big players such as Tribecar, BlueSG and GetGo, along with smaller outfits such as Shariot, Car Lite, and Drive Lah.

GetGo has a fleet size of around 3,000 vehicles, while TribeCar has over 1,300 vehicles. BlueSG, the first electric car-sharing service in Singapore, has 1,000 electric cars.

They can be found in a few thousand locations spread across housing estates and central parts of Singapore.



What are some factors for the growth of car-sharing here?

Associate Professor Walter Theseira from the Singapore University of Social Sciences pointed to technological advancements as the main catalyst.

"For one, transaction costs have dropped sharply largely due to the use of mobile phone app-based platforms and ubiquitous connected systems for cars.

"In the past, it would have been much more expensive operationally to access, book, and return cars with earlier generations of technology," he told TODAY.

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Given the lower margins, Assoc Prof Theseira, who teaches economics, said this would have also made car-sharing business models much more challenging then.

On the other hand, transport analyst Terence Fan from the Singapore Management University (SMU) suggested that the increase in car-sharing demand could also be due to a notable shift in people's commuting patterns after COVID-19.

The absence of Electronic Road Pricing (ERP) charges in the Central Business District (CBD) suggests that fewer drivers are travelling there during peak hours now.

Instead, people seem to be opting for cross-town commutes, possibly influenced by the opening of new MRT lines such as the Downtown Line and Thomson-East Coast Line.

"While this could mean more people are using public transport, we are also seeing COE rates go up. This shows that people are driving not to go into CBD as they did pre-pandemic, but they are going across town to other places," he said.

Prof Fan said that the demand for car-sharing services may have experienced an uptick as individuals seek more efficient means for their cross-town journeys.

#### CONSTRAINTS AND PITFALLS OF CAR-SHARING

Regular users of car-sharing benefit from not having to bear the high costs of car ownership in the form of COEs, insurance, maintenance and road tax.

While car-sharing services seem to have become an integral part of urban mobility, like any evolving system, the industry is not without its share of woes.

Users have encountered various issues that impact their experience, underscoring areas that may require attention and improvement, such as the importance of investing in high-quality technology, as seen in the recent glitches experienced by BlueSG users.

The quality of customer service is another common concern raised by users TODAY spoke to.

Crane operator Padma Shanmugam, 45, said he was frustrated with the response time, as it could take hours of calling before a customer service officer answered his call.

"I had a problem once where I was in a rush, but I couldn't start the car. And my rental was ongoing. In the end, I had to close the door and tried calling customer service to end my rental because I couldn't stop it on my end.

"Three of us - my wife's sister, my wife and myself - started calling the company together to see who would be the lucky one who had their call answered. It was my wife," he said, adding that he was also upset at the time wasted.

Database administrator Gary Real, 57, had the same gripe, albeit with a different company. "Sometimes, the vehicles I booked have software issues, but there's no customer service attending to your calls.

"Of the three times I called, I had to wait 30 minutes for two calls. Then the staff told me, 'We will call you back as we cannot answer on behalf of the company'. It's not very helpful," he said.

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A financial analyst, who wanted to be known only as Jim, stopped using a car-sharing service in mid-2023 after getting billed S\$2,900 after a minor collision.

"Any long-term driver will encounter some sort of an accident one day, which can be anybody's fault, but I'd rather not have to deal with outrageous charges and non-existent customer service," he said.

He did not think the incident was entirely his fault, as he said the other driver had encroached into his lane.

Stressing that the company needed to improve its customer support, Mr Jim said he had sent an appeal to the company but received no response, so he had to foot the bill in the end.



Leftover trash and pre-existing defects are also part and parcel of the car-sharing experience. However, consumers like Mr Jerrold Koh have come to embrace it while doing their best to be responsible users.

"I acknowledge that car-sharing vehicles may not be as well-maintained as personally owned vehicles since users don't have the same level of ownership responsibility.

"(But) it hasn't resulted in major issues during my experiences with car sharing," said the 33-year-old operations executive.

A logistics driver, who wants to be known only as Hafiz, said that despite the known problems plaguing the service, he is not deterred from using it.

The 42-year-old said his primary concerns when using a shared car are avoiding unnecessary trouble, and not getting penalised for a mistake made by others.

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"For example, if (someone's car) hits you from the back, and it is not our fault, why should we get penalised and fined for that matter?"

"Even if you sign up with the accident waiver, it doesn't stop (the car company) from charging a huge amount of money just to recover costs when it should be borne by the other party for causing the accident," he said.

Hence, Mr Hafiz always does his due diligence by conducting his own pre-checks to ensure that the vehicle is safe and clean for driving.

"Report any minor dents or scratches, no matter how many pictures you have to take, because it safeguards us from getting blamed for the things we didn't do," he said, adding that it would be best to keep the photos for at least a year from the rental date in case any disputes arise.

Some prospective users are taking a wait-and-see approach due to the teething issues highlighted in the news of late.

Sales and marketing manager Sarah Ahmad, a frequent ride-hailing customer, has been thinking of getting a driving licence so that she, too, can enjoy what car-sharing has to offer. However, she has become increasingly hesitant after reading about the complaints online.

"The car condition can be good and bad because, ultimately, people don't have a true sense of ownership.

"Then, with the hefty repair costs and whatnot, I think it will hurt my bank account. Imagine paying thousands for a car that's not yours," said the 34-year-old.

Likewise, business analyst Edmund Leong, 31, who has been using his father's car that is due to be scrapped this year, said he would not consider car-sharing - at least not for now.

"You have to return the car and ensure everything is okay. It's added pressure and stress that I don't want to deal with."

## PRICING SYSTEMS FOR CAR-SHARING

Car-sharing companies in Singapore employ a range of membership and business models to meet the different needs of users.

Types of pricing:

- **Subscription or zero fee model:** Most companies allow users to sign up with zero membership fees and just a refundable deposit to gain access to its fleet. This means that the users do not need to pay anything if they don't rent any cars. Certain operators such as BlueSG implement a monthly subscription model, where members pay a fixed fee even if they don't use the service
- **Hourly or per-minute rates:** Users pay for the time they use the vehicle, based on hourly or 15-minute blocks. Rates may vary based on factors like peak hours or vehicle types. Some companies also offer daily rental rates. BlueSG charges by the minute but also has hourly packages. This rental fee is on top on the subscription fee that BlueSG charges

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Types of service:

- Point A-to-B: BlueSG users can drop off their rented electric cars at any charging stations set up by the company across the island
- Point A-to-A: Users book a car and have to return it at the same spot they picked it up from

Many car-sharing service providers typically require a security deposit or a pre-authorisation fee before consumers can start booking a vehicle. The money will be returned upon termination of account or at the end of a rental.

#### WHAT OPERATORS SAY

Amid unhappiness by users over customer service and vehicle maintenance, several car-sharing operators shared with TODAY how things are run on their end.

A GetGo spokesperson told TODAY that the company runs a 24/7 live chat on the app's booking page and a 24/7 hotline for accident-related cases.

The vehicles are regularly maintained based on milestones recommended by both the manufacturer and industry standards.

GetGo's chief executive and co-founder Toh Ting Feng added: "We constantly put a lot of effort and thought into our customer service. More than 95 per cent of queries are answered within two minutes."

In addition to regular maintenance, the firm uses data to plan its operations team's vehicle checks. Currently, all GetGo vehicles, on average, are scheduled for cleaning and inspection once a week, depending on vehicle utilisation.

Likewise, Tribecar marketing manager Louis Yong said the firm's cleaning teams travel around the island to have vehicles cleaned at least once weekly. Its operations team performs additional cleaning and disinfection when necessary.

He said some vehicles may undergo cleaning more frequently, depending on seasonal demand, adding that the company would actively educate customers on their role in maintaining vehicle hygiene and encourage responsible use.



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Users can also contact Tribecar via reports made through the app, emails and social media channels.

If there are cleanliness issues, Mr Yong pointed out that users may also take the vehicle for cleaning, and the company would reimburse the cleaning fees and offer free rental hours as a "reward".

Mr Kelvin Tay, chief executive officer of BlueSG, acknowledged the recent service lapses stemming from technical glitches during the company's system migration, adding that it is currently working on expanding its customer service team by 10 per cent.

The company has also recently improved its live chat for more efficient customer service operations.

Weekly cleaning of BlueSG vehicles is also a standard practice.

Another bugbear of consumers is the perceived high insurance excess they are liable to pay.

Insurance excess refers to the amount of money that an individual must pay out of their pocket before their insurance coverage kicks in to cover the remaining costs of repairs due to accidents.

It ranges from around S\$1,000 to S\$10,000, depending on the user's years of driving experience, the type of vehicle driven, whether a damage waiver was purchased, and whether a third party is involved.

Mr Toh said the exact excess amount reflects the cost of repair and insurance, and GetGo's excess is set in accordance with the car rental and car-sharing industry norms.

GetGo's insurance excess varies according to the users' age, years of driving experience, the purchase of damage waivers, and the type of vehicle booked.

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On whether users get to dispute the charges according to their liability, Mr Toh stressed that insurers are the ones who determine liability, and handle such related appeals.

"(Insurers) are professionals guided by the rules of the road, and they have collective industry guidelines for determining liability."

Mr Yong of Tribecar said it has the same arrangement - the insurers decide the insurance excess amount.

Tribecar's maximum insurance excess is at S\$5,000 per party, with the base starting from S\$3,000. Users who opt for extra protection - by paying a fee, typically 10 per cent or more of the rental charges - can get this amount reduced significantly.

"While we do not have specifics on how insurers calculate the insurance excess, a good assumption could be due to the varying drivers' driving experience for the vehicles," he said.

For BlueSG, Mr Tay said based on user feedback, the company has worked with its insurers to lower the excess amounts to S\$3,000 and S\$5,000 for both experienced and inexperienced drivers, each applicable to any damages to a BlueSG car and a third-party one.

These rates, effective from Jan 1, 2023, are about 40 per cent lower than previously, CNA had reported.

Still, this means that a young driver under 22 years old, or an inexperienced one with less than two years' experience, can be liable to pay S\$10,000 if he is involved in an accident involving a third party.

Some users have speculated in online forums that the perceived high insurance excess amounts and repair costs as well as additional charges to cover for a vehicle's loss of use while under repair could be part of the car-sharing companies' profit-earning model.

To this, SMU's Prof Fan noted that car-sharing rental rates are typically lower than conventional car rental rates. After all, operators expect multiple people to use the same car throughout the day.

But at the same time, Prof Fan said the operators "can't be sure" that they can maximise every car's usage to the point where every car is well-utilised every hour of the day.

"So if you break a windshield, for example, car operators don't have the luxury of surveying costs at different workshops before opting for the most cost-efficient one.

"They may charge you a standard rate which is higher because ... they want (the car back on the road)," he said.

Prof Fan said users should know how to protect themselves, and one way to do so is by recording a video of themselves inspecting the vehicle before and after use.

In terms of best practices, Associate Professor Raymond Ong of the National University of Singapore said Singapore can learn from places with the best car-sharing practices, such as Taiwan and Australia.

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In these two places, he said rental companies enforce policies and penalties to ensure a user's responsibility is fulfilled, such as submitting photos of the vehicle condition before users can successfully end a rental.

He added that users in Taiwan and Australia are also more proactive in ensuring the cleanliness of their rented vehicles before returning them.

The responsibility to care for the shared vehicles should go both ways, said Dr Ong, who studies transport economics.

"Users themselves are part of the problem. When they notice several issues with the car, they should give feedback immediately.

"Then, service providers need to take these issues of defect checking seriously because if these complaints increase, it would ultimately hurt their reputation. More users would be disenchanted with the car-sharing system," he said, adding that it is not just the company that suffers as a result but the entire industry.

**IS THERE A NEED FOR REGULATION?**

From Jan 1 to Dec 31 last year, the Consumers Association of Singapore (Case) received 127 complaints related to the car-sharing industry.

In comparison, there were 196 complaints in 2022 - a fourfold increase from just 48 in 2020.

Case president Melvin Yong told TODAY that such complaints generally involved:

- Disputes over excess charges or unauthorised charges due to alleged pre-existing defects in shared cars
- Challenges in cancelling subscriptions after auto-renewal
- Poor customer support and dispute resolution process
- Technical errors preventing car rentals or subscription cancellations

In a push for enhanced consumer protection in the sector, he also called for a mandatory maintenance regime, transparent communication of terms, and a clear dispute-resolution process.

The proposed maintenance regimen, whether time or distance-based, aims to minimise pre-existing defects.

In a blog post on Case's website in August last year, Mr Yong wrote: "Consumers have a part to play, too. Before using the shared car, consumers should also check the condition of the car thoroughly in accordance with the checklists and report any issues immediately.

"Where there are issues, do not drive."

Urging transparency, the Radin Mas Member of Parliament also touched on an auto-deduction clause which allows car-sharing service providers to deduct the repair, booking, cancelling or other charges from a user's registered credit or debit card automatically.

To this, he proposed that consumers have the right to assess charges before deduction, as this would only make the dispute resolution fair.

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The Case president also recommended establishing clear dispute resolution processes, complete with published timelines for issue resolution.



Mr Yong is not alone in calling for regulation of the industry. Disgruntled car-sharing users have made similar calls online while sharing their negative car-sharing experiences.

One comment on online forum Reddit said: "The (business) model is (based on) economy of scale. More cars on the road means higher revenue.

"They don't have to maintain the vehicle to a certain standard, (as long as) can turn on the engine (it) means (the car is) fine and because downtime means money lost ... The government should really regulate car sharing."

Motoring writer Ben Chia also suggested in a TODAY commentary that while most car-sharing companies claim to have a regular maintenance schedule for their fleets, the enforcement of an industry-wide practice is necessary to ensure consistency.

However, Mr Saktiandi Supaat, chairperson of the Government Parliamentary Committee for Transport, expressed caution with the suggestion to regulate the car-sharing industry.

With car-sharing playing an important role in Singapore's push towards a car-lite society, he said that there has to be a fine balance between having regulation and legislation and ensuring a more competitive car-sharing sector.

"Once you start regulating, there will be cost issues as costs might go up. Meanwhile, issues such as safety and technology glitches would need to be addressed on the legislative side.

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"We do not want to be a system where everything needs to be regulated or legislated. Car-sharing companies should be driven by honesty and trust and not be fully profit-maximising (at the expense of consumers)," said the Bishan-Toa Payoh Member of Parliament.

Assoc Prof Theseira agreed that it is worth looking into whether the industry should implement a code of practice or set of industry standards for consumer protection.

"However, the industry cost structure, prices, and competitiveness may be affected if some consumer protection issues are addressed," he said, echoing Mr Saktiandi's sentiments.

In response to TODAY's queries, including on whether there is a need to regulate the car-sharing firms in some form, the Ministry of Transport (MOT) and LTA said in a joint statement that they are working with operators to improve infrastructure, such as the availability of parking lots, to support users of car-sharing services.

MOT and LTA noted that as with all fleet operators, car-sharing operators are responsible for ensuring that only vehicles meeting roadworthiness standards are deployed on the roads.

"The majority of vehicles used by car-sharing services are registered as self-drive private hire cars, and are subject to similar inspection regimes as private vehicles.

"As private companies, car-sharing operators have to ensure that the quality of their platform and service standards are attractive to customers," they said.

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