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OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

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Testimony of the Department of Commerce and Consumer Affairs

Before the
Senate Committee on Commerce and Consumer Protection
Wednesday, March 18, 2026
9:30 a.m.
Via Videoconference
Room 229

On the following measure:
H.B. 2614, H.D. 1, RELATING TO DECEPTIVE PRACTICES

Chair Keohokalole and Members of the Committee:

My name is Emma Olsen, and I am an Enforcement Attorney for the Department of Commerce and Consumer Affairs' (Department) Office of Consumer Protection (OCP). The Department is in strong support of this measure.

The purpose of this bill is to reduce consumer harm and disincentive deceptive sales practices and omissions by requiring merchants that sell cosmetics to provide refunds for returns of new or unopened goods made within thirty days of the original purchase date, and to provide refunds, merchandise credits, or exchanges for returns of new or unopened cosmetics made between thirty and sixty days after the original purchase date. This bill also requires merchants that receive three or more warning letters from our office for failure to post required signage to display standardized return and refund policy signs provided by our office.

Currently, HRS section 481B-5.5 requires merchants to post a conspicuous sign informing purchasers of any return or refund policy. However, some merchants selling cosmetics would appear to be operating under the belief that visitors are unfamiliar with these requirements and unlikely to pursue legal remedies for violations based on the volume of complaints received in our office. Based on survey responses and complaints, it would appear that some retail merchants also routinely fail to comply with the conspicuous signage requirement. The difficulty of proving retail merchants were or were not in compliance in any given complaint is why we support a new policy approach that does not rely on the conspicuous signage requirement.

Since 2020, we have received over 180 consumer complaints regarding sales transactions by cosmetics retail merchants. These complaints about high-pressure sales tactics sometimes reveal consumer surprise that businesses refuse to accept returns of unopened goods. High-pressure sales tactics reported include preying on consumers' insecurities and making the customer feel that they cannot leave until they pay for a product. Some consumers agree to pay thousands, and in some cases, tens of thousands of dollars, for cosmetic products such as skin care and red-light therapy machines. Consumers have complained about discovering from the business only after purchase that returns are not permitted, resulting in significant financial harm. The combined amount of the sales involved in the 180 consumer complaints exceeds \$1.3 million. The incidents reflected in these complaints underscore the need for stronger and more enforceable consumer protection measures.

Last month, we surveyed consumers who filed complaints with our office regarding their experiences with these cosmetic retail merchants. To date, we have received more than 110 survey responses. The majority of respondents identified problems with the stores' refund and exchange policy, including inadequate or non-existent signage. For the Committee's reference, we have attached a representative consumer response to our questionnaire.

Requiring merchants that sell cosmetics to accept returns of unopened goods within a specified time period will deter them from engaging in high-pressure tactics. When consumers have clearly enforceable rights to return unopened products,

businesses will have to stand by their products and accept returns when the sale is the result of unwanted coercion. Many businesses selling cosmetics already agree that accepting returns of unopened products is good business. The select few that do not accept returns may harm individual consumers and tarnish the reputation of Hawaii as a consumer –friendly destination.

Many of these issues are currently being litigated in a private class action filed in 2022 in the First Circuit Court, in the State of Hawaii, Incrovato, et al. v. Mazal Group, LLC, et al. (1CCV-22-0000387). OCP continues to receive new complaints against the defendants, however, and the new complainants are not eligible to become members of the class, as the sales in question took place outside the class window. This makes the new complainants ineligible for relief in the class action lawsuit. The Plaintiff class has not obtained an award of summary judgment on their claims, and the case has a trial scheduled on July 26, 2026.

By clarifying merchants' obligations and strengthening compliance mechanisms, this measure will provide greater transparency, accountability, and fairness in cosmetic sales while improving Hawaii's reputation as a consumer-friendly destination. It will also help deter repeat offenders and provide a clear legal basis to pursue enforcement actions.

We respectfully request that this Committee pass this measure and advance these important consumer protections. While we cannot currently anticipate with certainty the costs of procuring signage for repeat violators, we plan to seek guidance from the State Procurement Office on the cost of procuring appropriate signage consistent with section 2 of this bill. Should the Committee pass this measure without section 2 of this bill, a general fund appropriation would no longer be necessary.

Thank you for the opportunity to testify on this bill.

CONSUMER QUESTIONNAIRE RE: COSMETICS INVESTIGATION

You are receiving this form because you filed a complaint with the State of Hawaii Office of Consumer Protection regarding your experience with a cosmetics merchant. The matter is currently under investigation. Your truthful answers to the questions below are intended to assist in the investigation.

Instructions: Please fill in the below declaration and answer the questions either yes or no based upon your personal knowledge. If you lack personal knowledge, or if you do not understand a question, please leave the answer blank. If you are uncomfortable answering any of the below questions, please leave the answer blank.

I, [redacted], of [Honolulu, Hawaii],
first and last name city and state of residence
visited [redacted] in [Honolulu, HI]
cosmetic merchant city where transaction took place
on [redacted]. To the best of my knowledge, my answers to the questions
date of visit

below are true, complete, and an accurate reflection of my experience.

| Please answer truthfully | YES | NO |
|--|-------------------------------------|-------------------------------------|
| Example #1: Do you currently reside in the United States? | X | |
| Example #2: Do you currently reside in Japan? | | X |
| 1. Do you currently reside in Hawaii? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2. At the time of your purchase, did you reside in Hawaii? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 3. At the time of your purchase, were you 62 years old or older? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4. At the time of your purchase, were you experiencing a physical disability? (i.e., a physical impairment like loss of sight) | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 5. At the time of your purchase, did you require the use of an assisted mobility device? (i.e., wheelchair, scooter) | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

- | | YES | NO |
|---|-------------------------------------|-------------------------------------|
| 6. At the time of your purchase, were you experiencing a cognitive disability? (i.e., a cognitive impairment like early-onset dementia) | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 7. At the time of your purchase, were you receiving Social Security Disability Insurance (SSDI) or Supplemental Security Income (SSI)? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 8. Did you interact with the store representative(s) on your own initiative? (i.e., by initiating conversation or entering the store on your own) | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 9. Were you approached outside the store by a store representative? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 10. Were you offered a free sample, treatment, or other benefit by the store representative to induce you to enter the store? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 11. To receive the free sample, treatment, or other benefit, did you have to enter the store? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 12. Did a store representative influence your decision to enter the store? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 13. Did the incentives or benefits offered to you influence your decision to enter the store? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 14. Did the store representative physically direct you into the store? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 15. Did the store representative touch you before entering the store? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 16. Did the store representative guide you by the hand, or pull you by the hand or by your arm, into the store? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 17. When you entered the store, were you accompanied by a friend, relative, spouse, or other companion? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 18. When you entered the store, did you have a particular product in mind that you needed or wanted to purchase? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 19. Did a sales representative attempt to interest you in products that you did not need or want? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 20. Did a store representative state that the store was a distributor of the product being sold? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 21. Did you feel pressured by the store representative to make a purchase? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 22. Did you feel pressured by the store representative to purchase a product you did not need or want? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

| | YES | NO |
|--|-------------------------------------|-------------------------------------|
| 23. Did you feel like the store representative was leaving you very little time to think about the products on your own? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 24. Were you offered a discount on products or services that were initially presented at a higher price? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 25. Did you indicate to the store representative that you were not interested in making a purchase? | <input type="checkbox"/> | <input type="checkbox"/> |
| 26. Was the store representative willing to take "no" for an answer to their solicitations? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 27. At any time during your purchase, did a store representative state that they were a medical doctor, a medical assistant, or a licensed esthetician? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 28. At any time during your purchase, did you observe any medical or esthetician licensing certificates in the store? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 29. At any time during your purchase, did the store representative disclose the return and refund policy of the store? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 30. At any time during your purchase, did you observe any signage in the store? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 31. At any time during your purchase, did you observe any signage displayed in the store about returns or refunds? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 32. If you observed signage displayed in the store, was it a sufficient size such that you could read the sign? | <input type="checkbox"/> | <input type="checkbox"/> |
| 33. At the time of your purchase, did you understand the store's policy regarding returns and refunds? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 34. At any time prior to your purchase, did a store representative make any representations to you about the return and refund policy of the store? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 35. Since your purchase, have you formed an opinion that the representations made by the store representative regarding the store's return and refund policy were false or misleading? | <input type="checkbox"/> | <input type="checkbox"/> |
| 36. Did the store representative charge your payment method amounts greater than agreed upon? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 37. Did you experience any unauthorized charges to your payment method after your interaction with the store representative? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

- | | YES | NO |
|---|-------------------------------------|-------------------------------------|
| 38. At the time of purchase, were you in receipt of all the items that you purchased? (i.e., did you leave the store with everything you paid for?) | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 39. Were any items you purchased sent to you in the mail? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 40. Did you receive all the items you purchased? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 41. Were all the items you purchased as advertised or as described? | <input type="checkbox"/> | <input type="checkbox"/> |
| 42. Did you attempt to return a product, or cancel a service, only to be refused by a store representative? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 43. Were you directed by a store representative to contact someone by telephone or email or a website to return a product or cancel a service? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 44. Were you able to complete a return using the telephone number or email address or website? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 45. Were you instructed to ship your product(s) for return to an address, only to have delivery refused by the store? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 46. To date, have you received a refund to your payment method from the store? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 47. If applicable, did you dispute the purchase with your credit card company? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 48. If you disputed the purchase with your credit card company, was that dispute successful? (i.e., did you receive a full credit to your account that was not later reversed?) | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 49. Have you experienced financial hardship because of your experience at the store? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 50. Do you feel that the store could improve how it informs customers of the store's return and refund policy? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 51. Do you feel misled as a result of purchasing products without knowledge of the store's no-refund policy? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 52. Would you have purchased the product(s) if you had known that the store had a no-return policy? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 53. Would you shop at the store again? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 54. Would you recommend the store to a friend? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 55. Do you feel that you were targeted by store representatives due to your age? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

- | | YES | NO |
|---|-------------------------------------|-------------------------------------|
| 56. Do you feel that you were targeted by store representatives due to your gender? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 57. Do you feel that the store is engaging in offensive business practices? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 58. Did a store representative influence what products you viewed while you were in the store? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 59. Did a store representative influence what products you sampled while you were in the store? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 60. Did a store representative influence what products you purchased while you were in the store? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 61. Did a store representative influence how you paid for your purchase? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 62. Were the products shown to you in the store marked in some fashion (i.e., with a stamp or label), to indicate the purchase price of the product? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 63. Were the products shown to you in the store marked in some fashion to indicate the ingredients in the product, such as active ingredients, or ingredients which may cause an allergic reaction (such as a rash or an itch)? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 64. Do you feel that the State should bring an enforcement action to make the store adopt business practices that are more consumer-friendly? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

On a scale of 1-10, with 1 being no pressure, and 10 being extreme pressure, please rate the level of pressure you felt to make a purchase.

- 1 2 3 4 5 6 7 8 9 10

Please only answer the following questions if you were offered, and you accepted, an additional free treatment or reduced cost treatment following your initial purchase that required a second or prolonged visit to the store.

| Please answer truthfully | YES | NO |
|---|--------------------------|--------------------------|
| 65. Did the additional free or reduced cost treatment take place in a back room of the store, or in a different store altogether? | <input type="checkbox"/> | <input type="checkbox"/> |
| 66. During the treatment, did you feel pressured to make an additional purchase by the representative performing the treatment? | <input type="checkbox"/> | <input type="checkbox"/> |
| 67. During the treatment, were you offered a discount on products or services that were initially presented at a higher price? | <input type="checkbox"/> | <input type="checkbox"/> |
| 68. During the treatment, did the store representative indicate that the discount was time-limited? (i.e., were you told that the store representative would be departing Hawaii soon and could not extend the discount beyond that day?) | <input type="checkbox"/> | <input type="checkbox"/> |
| 69. During the treatment, were you alone in the room with one or more store representatives? | <input type="checkbox"/> | <input type="checkbox"/> |
| 70. During the treatment, were you in a supine position? (i.e., reclined in a chair or lying face-up on a table) | <input type="checkbox"/> | <input type="checkbox"/> |
| 71. During the treatment, did you feel that you were in a vulnerable position? | <input type="checkbox"/> | <input type="checkbox"/> |
| 72. If applicable, during the treatment, did you feel isolated from your companion(s)? | <input type="checkbox"/> | <input type="checkbox"/> |
| 73. If applicable, during the treatment, were any attempts to discuss a potential purchase with your companion(s) refused by the store representative? | <input type="checkbox"/> | <input type="checkbox"/> |
| 74. If applicable, during the treatment, did the store representative make you unable to discuss a potential purchase with your companion(s)? | <input type="checkbox"/> | <input type="checkbox"/> |
| 75. During the treatment, did you feel like you were not able to leave the room without making a purchase? | <input type="checkbox"/> | <input type="checkbox"/> |
| 76. During the treatment, did you feel like making an additional purchase was the only way to end the continued interaction with the store representative? | <input type="checkbox"/> | <input type="checkbox"/> |
| 77. During the treatment, did you feel pressured to disclose your payment method (i.e., credit card, debit card, cash, check, or short-term consumer loan) to the store representative? | <input type="checkbox"/> | <input type="checkbox"/> |

| | YES | NO |
|--|--------------------------|--------------------------|
| 78. Do you feel like the store representative obtained your payment method against your will? | <input type="checkbox"/> | <input type="checkbox"/> |
| 79. Do you feel like the store representative tricked you into disclosing your payment method? | <input type="checkbox"/> | <input type="checkbox"/> |
| 80. Did the store representative require your identification (ID) to complete the purchase? | <input type="checkbox"/> | <input type="checkbox"/> |
| 81. Do you feel like the store representative obtained your ID against your will? | <input type="checkbox"/> | <input type="checkbox"/> |
| 82. Do you feel like the store representative asked for your ID for a dishonest reason? | <input type="checkbox"/> | <input type="checkbox"/> |
| 83. Was your payment method or ID out of your possession or sight for any period of time during the treatment or subsequent purchase? | <input type="checkbox"/> | <input type="checkbox"/> |
| 84. If you made an additional purchase, did the purchase occur while receiving the treatment? (i.e., while lying supine, or with devices or products on your face or hands) | <input type="checkbox"/> | <input type="checkbox"/> |
| 85. Did the purchase occur in the room where you received the treatment? | <input type="checkbox"/> | <input type="checkbox"/> |
| 86. Did you observe any signage detailing the store's return and refund policy where the purchase occurred? | <input type="checkbox"/> | <input type="checkbox"/> |
| 87. Were you asked to sign your name on an electronic device, like an iPad, to complete your purchase? | <input type="checkbox"/> | <input type="checkbox"/> |
| 88. Was the signage describing the store's refund and return policy plainly visible from the location where you paid for your purchase? | <input type="checkbox"/> | <input type="checkbox"/> |
| 89. Did the store representative disclose to you the contents of the document you were signing or the effect of your signature? | <input type="checkbox"/> | <input type="checkbox"/> |
| 90. Were the charges consistent with what the sale representative indicated? | <input type="checkbox"/> | <input type="checkbox"/> |
| 91. Did the store representative provide you with a copy of the document that you electronically signed? | <input type="checkbox"/> | <input type="checkbox"/> |
| 92. Do you feel that the store representative misrepresented the contents of the document that you electronically signed? (i.e., representing that the document was an agreement not to resell the purchased product(s)) | <input type="checkbox"/> | <input type="checkbox"/> |
| 93. Were you instructed by the store representative to sign receipts without being given time to review them? | <input type="checkbox"/> | <input type="checkbox"/> |

- | | YES | NO |
|--|--------------------------|--------------------------|
| 94. Did you attempt to initiate a return of the products within 48 hours of your purchase? | <input type="checkbox"/> | <input type="checkbox"/> |
| 95. Were you able to return the products within 48 hours of purchase? | <input type="checkbox"/> | <input type="checkbox"/> |

I have reviewed and complied with the instructions to this Consumer Questionnaire and answered those questions which I understood and for which I have personal knowledge, and I declare under penalty of law that my answers are true and correct.

[Redacted Signature]

Your signature

[Redacted Name]

Print Name

2/10/26

Date