

Aguaxis Law Firm - Newsletter (February 2025)

2025 CUSTOMER HARASSMENT PREVENTION UPDATE

Introduction.

Japan is known as a country of hospitality, or "*Omotenashi*," and in recent years, it has led customers in Japan to take such hospitality for granted. Customers have been harassing a company's staff by speaking rudely at them, throwing things at them, asking them to get on their hands and knees to apologize, etc. This problem of customer harassment has become increasingly serious at businesses, which led to calls for legal measures to protect the safety and comfort of employees. In response to this trend, in October 2024, the Tokyo Metropolitan Government passed the "Tokyo Customer Harassment Prevention Ordinance" (Tokyo Metropolitan Ordinance No. 140 of 2024, hereinafter, "Tokyo Ordinance"), the first of its kind in Japan, at the Tokyo Metropolitan Assembly. In December 2024, the Tokyo Metropolitan Government established the "Guidelines for the Prevention of Customer Harassment" ("Tokyo Guidelines") based on the Tokyo Ordinance. The Tokyo Ordinance is scheduled to go into effect in April 2025.

In this newsletter, we provide a Q&A session on recent developments related to customer harassment, focusing on the contents of the Tokyo Ordinance and Tokyo Guidelines.

Q&A

Q1. Please briefly describe the contents of the Tokyo Ordinance.

A1. After prohibiting all persons from engaging in customer harassment (Article 4), the Tokyo Ordinance stipulates the responsibilities of businesses¹, customers, and employees (Articles 7, 8, and 9). The following is a summary

¹ Businesses are (1) corporations, (2) other organizations (including (3) national organizations), or (4) sole proprietors (Article 2, Item 1) that conduct business (including activities for non-profit) in Tokyo.



of the responsibilities of each party (all of which are the best effort basis).

- (1) Responsibilities of businesses (Article 9)
 - Proactively work to prevent customer harassment and cooperate with measures implemented by the Tokyo Metropolitan Government to prevent customer harassment.
 - · In a customer harassment case, promptly ensure the safety of workers and take necessary and appropriate measures against the customer, etc., who committed the harassment.
 - Implementing necessary measures to ensure that workers do not engage in customer harassment with respect to their own business.
- (2) Responsibilities of employees (Article 8)
 - Enhance the interest in and understanding of customer harassment issues and take actions that contribute to the prevention of it.
 - Cooperate with measures implemented by businesses to prevent customer harassment.
- (3) Responsibilities of customers (Article 7)
 - Enhance the interest in and understanding of customer harassment issue and be considerate of their behavior towards workers.
 - · Cooperate with measures implemented by the Tokyo Metropolitan Government to prevent customer harassment.

Q2: What kind of harassment is prohibited by the Tokyo Ordinance?

A2: The Tokyo Ordinance defines customer harassment as "significant disruptive behavior by a customer toward a worker in connection with his/her work that is detrimental to the working environment" (Article 2, Item 5). Significant disruptive behavior is organized into the following three types:²

(1) Requests that lack validity.

Example: Demanding to replace an item without any defect with a new item.

- (2) Regardless of the validity of the content of the request, the means and manner to achieve the request are illegal or socially unjustifiable. Examples: Illegal acts of violence such as punching and kicking, words and actions that are disrespectful to the worker, and forcing the worker to kneel down on the ground to apologize.
 - (3) The means and manner in which the request is to be realized are

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² Metropolitan guidelines, slide version p19-22.



socially unacceptable in light of the appropriateness of the content of the request.

Example: Demand for compensation for damages based on a defect in a product that is considered extremely high under socially accepted standards.

Q3: Under the Tokyo Ordinance, is the person who engages in customer harassment limited to customers who are residents in Tokyo Metropolitan?

A3: The Tokyo Ordinance does not limit the customer who engages in customer harassment to Tokyo residents. In addition to customers, persons who engage in customer harassment behavior include (1) persons closely related to the business and (2) persons who are not originally expected to be involved but who need to be dealt with for the smooth performance of the business, and the scope of customer harassment is determined in accordance with the specific circumstances.

Q4: Is customer harassment prohibited by the Tokyo Ordinance limited to those committed against a business that is engaged in business in Tokyo?

A4: In addition to the businesses who are engaged in business in Tokyo, prohibited harassment includes those against employees who work outside of Tokyo. If an employee has a reasonable connection with the business of a Tokyo-based business is recognized (e.g., employees residing outside of Tokyo who telework for companies in Tokyo, call center employees outside Tokyo who respond to inquiries to companies in Tokyo, etc.), such employee would be protected by the Tokyo Ordinance.³

Q5: Please elaborate on the details of the measures that businesses should take in accordance with the Tokyo Ordinance?

A5: The Tokyo Guidelines emphasize the following points to ensure that businesses respond appropriately to customer harassment.

- 1) Preparation to prevent customer harassment
 - Clarification and internal and external dissemination of the company's

³ See Metropolitan Guideline slide version p13.



- basic policy and guidelines for dealing with customer harassment.
- Clarification of the policy and the internal notification of the fact that customer harassment must not be tolerated.
- Establishment of a consultation service for employees, etc., who have been subjected to customer harassment and internal dissemination of the services.
 - A system that allows the person in charge of the consultation desk to cooperate with the human resources department depending on the content of the consultation.
 - Creation of consultation manuals.
 - Conducting training on persons in charge of the consultation desk.
- Implementation of measures necessary to protect the privacy of persons that use the consultation services and internal notification of such measures.
- Prohibition of disadvantageous treatment on the basis of using the consultation services and dissemination of such prohibition.
- Developing methods and procedures for an initial response to a customer harassment.
- Creation of methods and procedures for internal reactions to customer harassment (reporting and consultation, instructions and advice)
 - Determination of the items that need to be reported and the procedures to report these items in order to cooperate with the head office and leading team in cases where legal procedures or cooperation with the police, lawyers, etc., are required.
- Education and training for employees, etc.
 - Provide education and training to management and the persons in charge of the consultation services (supervisors and on-site supervisors) in addition to employees.
- 2) How to respond onsite when a customer harassment occurs
 - Accurate confirmation of facts and response to cases.
- 3) Response after the occurrence of a customer harassment
 - Ensure the safety of employees and take care of their mental and physical health.
 - Consultation services in accordance with the consultation service manual.



- If the affected employee shows signs of mental health problems, request a consultation from a specialist and encourage the affected employee to seek professional medical care.
- Conduct periodic stress checks to see the status of employees
- Efforts to prevent recurrence of customer harassment.

Q6: It is difficult to create a customer harassment manual on our own. Is there a guide that can be used as a reference when creating the manual?

A6: The Tokyo Guidelines indicate that it is desirable for each industry association to prepare in advance a customer harassment prevention manual that will serve as a guide for businesses.⁴ In this connection, the Tokyo Metropolitan Government has published a guide for industry associations to prepare manuals (i.e., the draft of common manuals for all industry associations). Therefore, if you are looking for a customer harassment manual, it is a good idea to first check whether the industry association to which your company belongs has prepared a manual. In order to create the best manual for your company, please consider consulting a lawyer or other specialists while referring to the industry association's manual.

Q7. Are there any penalties for violating the Tokyo Ordinance?

A7: At this time, there are no penalties for violating the obligations of the Tokyo Ordinance. However, the purpose of the Tokyo Ordinance is to focus on raising awareness of harassment prevention because sanctions are not desirable in themselves. In addition, there was concern that if certain acts were not punishable, people might think that it was fine to engage in such acts, which is something the Tokyo Ordinance wanted to avoid. Therefore, having no penalties does not mean that it is acceptable to violate the obligations under the Tokyo Ordinance, and some customer harassment acts may constitute a crime such as assault, coercion, or defamation, in which case the harasser may be punished under the penal code or other criminal laws.⁵

Q8: Are companies operating outside of Tokyo required to take

⁵ Tokyo Customer Harassment Prevention Ordinance Q&A)

⁴ Tokyo Guidelines, slide version, p. 44-45.



measures against customer harassment?

A8. At the time of this newsletter's preparation, and since the establishment of the Tokyo Ordinance, ordinances to prevent customer harassment have also been enacted in Hokkaido and Kuwana City, Mie Prefecture, and both are scheduled to go into effect in April 2025. If a company is subject to these ordinances, it will be required to follow them and take measures against customer harassment. Aichi Prefecture also plans to submit a draft customer harassment prevention ordinance to their prefectural assembly in June 2025.

Prior to the efforts of these municipalities, the Ministry of Health, Labor and Welfare (MHLW) published the "Corporate Manual on Customer Harassment Prevention" (hereinafter the "MHLW Manual") in January 2022, which outlines specific measures that should be taken by companies. The content of the Tokyo Guidelines emphasizes the same points as the MHLW Manual, and it is desirable for companies to implement the same measures against customer harassment as those in the MHLW Manual and the Tokyo Ordinance even though they operate outside of Tokyo. Due care should be taken in case a company fails to take the measures required by the MHLW Manual because, depending on the circumstances, it may be charged with a violation of the duty to give due consideration to safety at the workplace.⁶

Furthermore, the government has been working to strengthen measures against customer harassment. In May 2024, the Liberal Democratic Party submitted to then Prime Minister Kishida a proposal for strengthening comprehensive measures against customer harassment, and the Basic Policies for Economic and Fiscal Management and Reform for FY2024 also included some description on the prevention of customer harassment (p. 30). In the future, an amendment to the "Law for Comprehensive Promotion of Labor Measures" is scheduled to be submitted to the ordinary Diet in 2025. This amendment may impose an obligation on companies to take measures to prevent customer harassment.

⁶ Article 5 of the Labor Contract Act and Article 30-2, Paragraph 1 of the Act on Comprehensive Promotion of Labor Measures; Article 5 of the 2020 MHLW Notice No. 5, Paragraph 7.



Q9: With the implementation of the Tokyo Ordinance, are there any changes in the risks and precautions to be taken in dealing with customer harassment at businesses in Tokyo?

A9: The content of the measures to be taken by businesses to prevent customer harassment under the Tokyo Ordinance and Guidelines is not significantly different from the content of the MHLW's Manual. Therefore, there will be no major changes in the content of the measures that should be taken by businesses after the implementation of the Tokyo Ordinance. However, unlike the MHLW Manual which is silent on whether a business needs to take the countermeasures stated therein, the Tokyo Ordinance stipulates that all businesses, regardless of business size, are obligated to make efforts to prevent customer harassment. In this regard, the Tokyo Ordinance may be one of the thresholds to decide the liability of a business for the violation of the duty to give due consideration to safety at worksite. From this perspective, the enforcement of the Tokyo Ordinance may increase the risk in the event of a customer harassment case for businesses whose efforts to prevent customer harassment fall short of those described in the Tokyo Guidelines.

Therefore, although businesses used to say, "We have never had any major customer harassment problem before, so it'll be fine to not take any efforts to prevent it" or "Our company's size does not require us to take measures against customer harassment (e.g., not setting up a consultation desk where employees feel safe to consult with)" – there will be a higher risk these statements will no longer be valid. We encourage you to take this opportunity to consider establishing or reviewing measures to prevent customer harassment.

S<u>ummary</u>

With customer harassment becoming a social problem and the demand for companies to take appropriate measures, it is important for companies to take proactive measures based on the Tokyo Ordinance, Tokyo Guidelines and MHLW Manual to protect employee safety and trust in the company. We hope that this newsletter can be of help to you in the preparation and implementation of appropriate measures.



In addition to advice on the customer harassment prevention measures, Aguaxis Law Office provides assistances on a wide range of harassment issues including power harassment, sexual harassment, and other inappropriate behavior that negatively impacts the work environment. Please feel free to contact us if you have any questions.

Resources:

Tokyo Customer Harassment Prevention Ordinance Tokyo Customer Harassment Prevention Ordinance Q&A Guidelines for the Prevention of Customer Harassment (Guidelines) Common Manuals for Tokyo Metropolitan Government Organizations Ministry of Health, Labor and Welfare Customer Harassment Corporate Countermeasure Manual Ministry of Health, Labor and Welfare Customer Harassment Prevention Leaflet

Hokkaido Customer Harassment Prevention Ordinance

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The information provided in this newsletter is for general information only and does not constitute specific professional advice. Please contact Keiko Tsuruta (keiko.tsuruta@aquaxislaw.com) regarding your specific case, as we will respond to each case individually.

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