

Female director of chain education centre convicted of engaging in wrongly accepting payment

A female director of a chain education centre was sentenced to 240 hours of community service order today (December 23) at the Eastern Magistrates' Courts for engaging in wrongly accepting payment when selling tutorial programmes, in contravention of the Trade Descriptions Ordinance (TDO). The female director was also ordered by the court to make a compensation of about \$70,000 to the victims of the case.

Hong Kong Customs in July 2023 received numerous complaints alleging that a chain education centre suddenly announced business closures of five branches, failing to provide prepaid tutorial programmes purchased by and arrange refunds to customers.

After an investigation, Customs found that the some branches of the education centre were in arrears with rent and salaries. However, they still accepted payments for prepaid programmes even anticipating that they would be unable to continue operating.

Customs reminds traders to comply with the requirements of the TDO. Traders should not accept advance payments from consumers if they are uncertain whether the pertinent services can be delivered to consumers within a specific or reasonable time. Consumers are also reminded to procure services at reputable shops and think prudently before making decisions regarding consumption by prepayment. After purchasing services, consumers should keep the transaction receipts and related records, which can become basic information in case a complaint is lodged in the future.

Under the TDO, any trader commits an offence if at the time of acceptance of payment, the trader intends not to supply the product or there are no reasonable grounds for believing that the trader will be able to supply the product within a specified or reasonable period. The maximum penalty upon conviction is a fine of \$500,000 and imprisonment for five years.

Members of the public may report any suspected violations of the TDO to Customs' 24-hour hotline 182 8080 or its dedicated crime-reporting email account (crimereport@customs.gov.hk) or online form (eform.cefs.gov.hk/form/ced002).