

Hong Kong Customs actively follows up on issue relating to business closure of chain fitness centres

Hong Kong Customs today (January 7) provided an update on its investigation into the incident earlier in which a fitness chain had suddenly announced the closure of its four fitness centres.

As of 8am today, Customs had received a total of 57 complaints regarding the fitness chain, involving 48 complainants and fitness contracts amounting to about \$1.2 million. Customs has contacted all complainants to obtain the details of each complaint and to commence investigation.

Initial investigation revealed that the four fitness centres involved were operated by two directors. Customs officers today interviewed the two directors in order to pursue an investigation into the incident. Also, the officers strongly reminded them that traders are obligated to properly handle the prepayment services purchased by their customers under any circumstances, for instance to provide a refund arrangement.

Customs will closely monitor the development of the incident and will continue to maintain close contact with the Consumer Council.

Investigation by Customs is still in progress. Customs officers will probe into whether the trader involved has committed the offence of wrongly accepting payment under the Trade Descriptions Ordinance (TDO). Should there be any violation of the TDO, Customs will take immediate enforcement action.

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 intends to supply a materially different 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.

Customs reminds traders to comply with the requirements of the TDO. Consumers are also reminded to procure services at reputable shops and think prudently before making decisions for consumption with prepayment.

Members of the public may report any suspected violations of the TDO to Customs' 24-hour hotline 2545 6182 or its dedicated crime-reporting email account (crimereport@customs.gov.hk).