

Hong Kong Customs arrests female director of chain education centre suspected of engaging in unfair trade practices in sale of tutorial programmes

Hong Kong Customs yesterday (August 1) arrested a female director of a chain education centre suspected of engaging in wrongly accepting payment when selling tutorial programmes, in contravention of the Trade Descriptions Ordinance (TDO).

Customs had earlier received numerous complaints alleging that a chain education centre suddenly announced business closures of five branches in Siu Sai Wan, Chai Wan, Shau Kei Wan, Tai Koo and Ho Man Tin on July 29, failing to provide prepaid tutorial programmes purchased by and arrange refunds to customers.

Customs officers then swiftly conducted an investigation and found that the some branches of the education group were in rent arrears. However, they still accepted payments for prepaid programmes even anticipating that they would be unable to continue operating. A 50-year-old female director of the education centre was subsequently arrested yesterday.

An investigation is ongoing and the arrested woman is being detained.

Customs has been paying close attention to, and has arranged a taskforce to follow up on, the incident. As of noon today, Customs has received a total of 310 complaints regarding the education centre, involving tutorial programme fees amounting to about \$2.51 million. Customs again called on members of the public affected by the incident to provide information.

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 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.

Members of the public may report any suspected violations of the TD0 to Customs' 24-hour hotline 2545 6182 or its dedicated crime-reporting email account (crimereport@customs.gov.hk) or online form (eform.cefs.gov.hk/form/ced002/).