

Hong Kong Customs join forces with Police and DH to combat unlawful ginseng and dried seafood shop

Hong Kong Customs today (March 19) mounted a joint operation with the Police and the Department of Health (DH) codenamed "Iceglow" against unfair trade practices and fraud by a ginseng and dried seafood shop in Causeway Bay.

Customs earlier received information alleging that salespersons at a ginseng and dried seafood shop in Causeway Bay were suspected of engaging in misleading omission and imposing undue influence on customers to purchase Chinese medicine, in contravention of the Trade Descriptions Ordinance (TDO). Customs investigations revealed that the salespersons, in the course of sale of Chinese medicine, repeatedly avoided providing the unit price and total price of the goods with the intention of omitting and hiding the material information to the customers, causing the customers to purchase the Chinese medicine at exorbitant prices, which were 10 to 100 times different from what was expected. It was also found that the salespersons coerced the victims into purchasing the Chinese medicine by saying the Chinese medicine was ground.

Also, Police received information against the same ginseng and dried seafood shop that its salespersons were suspected of embezzling the customer's credit card for extra payment by fraud without the authorisation of the customer, in contravention of the Theft Ordinance (TO).

Customs then took joint operation with the Police and the DH today and a batch of suspected part I poison was found at the shop, in contravention of the Pharmacy and Poisons Ordinance. Two men, aged 36 and 42, suspected to be connected to the case were arrested.

Investigation is ongoing.

Customs reminds traders to comply with the requirements of the TDO and consumers to purchase products from reputable shops. Consumers should also be cautious about the unit price and ask for more information, including the total price of the goods selected, before making a purchase decision.

Under the TDO, any trader who engages in a commercial practice that omits or hides material information and as a result causes, or is likely to cause, an average consumer to make a transactional decision, commits an offence. Also, any trader commits an offence of engaging in aggressive commercial practices if harassment, coercion or undue influence is used to impair a consumer's freedom of choice or conduct, causing the consumer to make a transactional decision. The maximum penalty upon conviction is a fine of \$500,000 and imprisonment for five years.

Under the TO, committing a fraudulent act is a criminal offence, and the offender may be liable to prosecution and imprisonment for up to 14 years.

According to the Pharmacy and Poisons Ordinance, all pharmaceutical products must be registered with the Pharmacy and Poisons Board of Hong Kong before they can be legally sold in the market. Illegal sale or possession of unregistered pharmaceutical products or Part 1 poisons are criminal offences. The maximum penalty for each offence is a fine of \$100,000 and two years' imprisonment.

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