

Hong Kong Customs makes further arrests in unfair trade practice case involving vacation club marketing company

Hong Kong Customs conducted an enforcement action on July 6 and arrested six female staff members of a vacation club marketing company suspected of engaging in unfair trade practices for making misleading omissions in the course of selling vacation club memberships, in contravention of the Trade Descriptions Ordinance (TDO). Customs officers today (July 20) mounted an enforcement action again and arrested three persons for suspected contravention of the TDO.

During a follow-up investigation into the aforementioned case, Customs officers discovered that another female staff member of the vacation club marketing company, in the course of selling vacation club memberships, was suspected of omitting or hiding material information from customers that additional charges would be required after paying the membership fee in order to use the relevant services. Customs officers subsequently arrested the 23-year-old female staff member and a 35-year-old male director of the company today.

In addition, Customs officers found that one of the six female staff members arrested earlier was suspected of engaging in unfair trade practices for making misleading omissions in the course of selling vacation club memberships at another vacation club marketing company. Customs officers therefore arrested a 37-year-old female director of the company concerned today.

An investigation is ongoing and the three arrested persons have been released on bail pending further investigation.

Customs again reminds traders to comply with the requirements of the TDO and consumers to procure services at reputable shops.

Under the TDO, any trader who engages in a commercial practice that omits or hides material information or provides material information in a manner that is unclear, unintelligible, ambiguous or untimely, and as a result causes, or is likely to cause, an average consumer to make a transactional decision, commits an offence of misleading omissions. The maximum penalty upon conviction is a fine of \$500,000 and imprisonment for five years. The management staff will also be liable if the offence is committed with their consent or connivance or is attributed to their neglect.

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).