

LCQ12: Deception cases involving renovation works or custom-made furniture

Following is a question by the Hon Kwok Wai-keung and a written reply by the Secretary for Commerce and Economic Development, Mr Edward Yau, in the Legislative Council today (July 21):

Question:

I have recently received complaints from quite a number of members of the public who claimed that they had spent hundreds of thousands of dollars on hiring companies through online decoration platforms to carry out renovation works or produce custom-made furniture, but the works concerned had ended up unfinished, and the furniture had not matched the specifications. They have no way to recover their money and the swindlers continue to deceive others with the same tactics. Regarding deception cases involving renovation works or custom-made furniture, will the Government inform this Council:

(1) of the following information on the reported cases of violation of the Trade Descriptions Ordinance (Cap. 362) (TDO) involving renovation works or custom-made furniture received by the authorities in the past three years: (i) the number of such cases, (ii) the unfair trade practices involved, (iii) the number of suspects involved in the cases, (iv) the number of persons prosecuted, and (v) the number of persons convicted;

(2) of the number of law enforcement actions (including inspections) taken in the past three years by law enforcement agencies against such type of deception cases and, among such actions, the number of those involving online decoration platforms; whether the approach of officers posing as clients was adopted for law enforcement; if so, of the effectiveness, and whether this approach will be adopted more often for law enforcement; and

(3) whether it will discuss with the Consumer Council and the Construction Industry Council the making of concerted efforts to combat such type of deception cases; whether it will consider making public a list of decoration companies which, and persons who, have been complained of having violated the TDO, so that members of the public may guard against being deceived; if so, of the details; if not, the reasons for that?

Reply:

President,

My reply to the various parts of the question raised by the Hon Kwok is

as follows:

(1)The enforcement statistics of the Customs and Excise Department (C&ED) in relation to violation of the Trade Descriptions Ordinance (Cap. 362) (TDO) involving renovation works or custom-made furniture from 2018 to June, 2021 are as follows:

	2018	2019	2020	2021 (January to June)	Total
Investigations initiated	8	2	6	3	19
– False trade descriptions	5	1	4	3	13
– Misleading omissions	1	0	1	0	2
– Wrongly accepting payment	2	1	1	0	4
Prosecution cases	4	3	2	4	13
Conviction cases (Convicted companies / individuals)	1 (1)	4 (4)	0 (0)	2 (2)	7 (7)

(2)As aforementioned, from 2018 to June, 2021, the C&ED initiated investigations on 19 cases in relation to violation of the TDO involving renovation services or custom-made furniture.

Unlike other goods or services, given the nature of renovation services and custom-made furniture, the C&ED would not take enforcement actions through the approach of undercover officers posing as customers in general, but would mainly initiate investigations and enforcement actions on reported cases.

The C&ED will continue to closely monitor whether there are traders operating their businesses by adopting unfair trade practices, including whether the renovation services or custom-made furniture sold through online renovation platforms involve unfair trade practices, and take vigorous enforcement actions against illegal traders to protect the lawful interest of consumers.

(3)Apart from stepping up enforcement, the C&ED is also committed to promoting compliance to the renovation services industry, including proactively liaising with traders and holding seminars to introduce the coverage of the TDO, with a view to reminding traders and practitioners to comply with the TDO.

On education and publicity, the C&ED has produced a new promotional video and a new range of promotional posters and souvenirs to introduce common unfair trade practices in four industries (including renovation services) so as to remind consumers and promote compliance with the TDO as

well as fair trading.

Also, the Consumer Council (the Council) has an established mechanism to name and shame traders adopting unscrupulous sales practices, by considering a number of factors including the number of complaints against a trader and the sales practices involved. In this regard, the Council will continue to closely monitor the complaints related to decoration and renovation services, and consider naming of the traders concerned when necessary in accordance with the mechanism so that consumers can become aware. The Council and the C&ED also hold regular meetings to enhance communication on consumer complaints involving unscrupulous sales practices, including those cases related to decoration and renovation services.

Regarding the Construction Industry Council, the Development Bureau advised that matters relating to renovation services or custom-made furniture are not within the functions of the Construction Industry Council.