

Public consultation on statutory cooling-off period for beauty and fitness services consumer contracts launched (with photo/video)

The Government released a consultation paper today (January 15) to solicit public views on a proposal to stipulate a statutory cooling-off period for beauty and fitness services consumer contracts. Views collected during the three-month public consultation will help the Government formulate relevant legislative proposals to protect legitimate rights of consumers.

The Secretary for Commerce and Economic Development, Mr Edward Yau, said, "The Government seeks to put in place an effective, transparent and just regime under which both consumers and businesses can enter into trade fairly. Over the years, we have, in light of the latest socio-economic developments, taken steps to improve relevant legislations. The Customs and Excise Department (C&ED) and the Consumer Council have been combating unfair trade practices and protecting consumer rights through enforcement actions and publicity and education efforts, etc. These efforts have been producing desired results."

Mr Yau said that, the above notwithstanding, complaints involving beauty parlours and fitness centres have continued to surge since the amended Trade Descriptions Ordinance (Cap. 362) took effect in 2013, with the C&ED receiving 1,124 complaints involving suspected aggressive commercial practices (ACPs) up until the end of December 2018. Among the complaints, 374 and 489 are related to beauty and fitness services respectively, making up 77 per cent of all ACP complaints. Most of these complaints involve beauty parlours that offer a variety of beauty services and fitness centres equipped with exercise machines.

Affected consumers felt aggrieved by being pressured or forced into making purchases involving large amounts of pre-payments unwillingly. Some of the traders concerned even targeted disadvantaged groups in the community, aggressively selling their services to and entering into contracts with people who did not comprehend the contents of the contracts. These types of unfair trade practices have given rise to a widespread public outcry, and the community urged the Government to stipulate a statutory cooling-off period for these types of consumer contracts.

The Consumer Council recommended in its Report to Advocate Mandatory Cooling-Off Period in Hong Kong released in April 2018 that the Government should legislate for the implementation of a statutory cooling-off period on certain contracts, including beauty and fitness services contracts. The Panel on Economic Development of the Legislative Council (LegCo) also passed a motion in May 2016 urging the Government to introduce legislation on

imposition of mandatory cooling-off periods, and accord priority to implementing a statutory cooling-off period for pre-paid services involving a lot of complaints and large amounts of payment, such as those provided by fitness centres and the beauty industry.

"The Government concurs that, given the seriousness of ACP complaints involving beauty and fitness services, and considering the views from various sectors of the community, it is advisable to examine the proposal for stipulating by legislation a requirement on a cooling-off period in respect to beauty and fitness services contracts. This could target the specified problem and provide the protection where most needed, without affecting Hong Kong's overall business environment," Mr Yau said.

The public consultation paper puts forth specific proposals on the scope of application and operational arrangements of the cooling-off period, which include setting out two options on cooling-off and refund periods. Details can be found in the Annex.

Depending on the outcome of the public consultation, the Government aims to introduce the relevant bill to implement a statutory cooling-off period for beauty and fitness services contracts into the LegCo in the 2019-20 legislative session.

The public consultation paper can be downloaded from the website of the Commerce, Industry and Tourism Branch of the Commerce and Economic Development Bureau (www.cedb.gov.hk/citb/cooling-off). Members of the public may submit their views to the Commerce and Economic Development Bureau on or before April 16 by email (cooling-off@cedb.gov.hk), fax (2869 4420) or post (23/F, West Wing, Central Government Offices, 2 Tim Mei Avenue, Tamar, Hong Kong).

