

## **Consumer Council Ordinance Review**

### **Submission of the Consumer Council**

#### **1. Review of the functions of the Consumer Council**

- (1). Regular reviews on the functions of the Consumer Council have been carried out.
- (2). The Council could only deal with consumer issues relating to goods when it was set up in 1974.
- (3). In 1975, the functions of the Council were extended to cover issues relating to both goods and services.
- (4). As a result of a review carried out in the late 1980's, the functions of the Council were further extended, in 1992, to protect the interests of "purchasers, mortgagors and lessees of immovable property".
- (5). Before July 1994, the goods and services provided by most public utility & transport companies, broadcasting companies and statutory bodies (the scheduled corporations) were excluded from the scope of the Council's functions. Such restriction was lifted as the result of the review carried out in the late 1980's.
- (6). The Council is now planning another review on its functions. Amongst other things, we will examine the need to define consumers and consumer interests in our review. It intends to conduct an opinion survey and convene focus group discussions with a view to collecting feedback from a wide cross section of the community. We welcome input from Members of the Legislative Council.

#### **2. The work of the Consumer Council**

- (1). In discharging its functions provided in the *Consumer Council Ordinance*, the Council has expanded its scope of work in meeting the needs of the community over the years.
- (2). Without law enforcement power, the Council performs a wide range of activities to protect and promote the interests of consumers. Activities, which are carried out through the Council office as its executive arm, range from developing new consumer protection initiatives to conducting studies on the state of competition and trade practices of various business sectors.

It mediates in consumer disputes, disseminates information and advice and organises consumer education activities. It also tests products, conducts in-depth studies and surveys and examines and responds to consultation papers and reports on consumer-related issues. The ultimate objective is to empower consumers in defending their own interests.

- (3). In 1994, the Council set up the Consumer Legal Action Fund to provide legal assistance to consumers on cases affecting significant consumer interests.
- (4). The Council has developed a benchmark code of practice and is encouraging industry bodies and professional organizations to devise code of practice in order to provide safeguards to consumers and to ensure fair competition amongst market participants.
- (5). In recent years, the Council has assumed the role of a competition advocate.

### **3. Investigative power**

- (1). Consumer Council has no power of investigation and therefore it has never conducted any 'investigations' as such.
- (2). In dealing with consumer complaints, the Council mediates between the trader and the consumer by examining the causes of the complaint as well as proposing ways and means to resolve the dispute. In the course of mediation, the Council uses the power of persuasion. When no resolution is reached, the consumer, if he has good reasons, will be advised to pursue his case further through legal action.
- (3). In cases where the trader has been found to be indulging in conducts detrimental to consumer interests, the Council will apply public censure by naming the trader.
- (4). In dealing with complaints relating to competition, the Council conducts study into the subject of complaint, if it so warrants, by collecting and analyzing information. We do not have the power to 'demand' information. Quite often, the Council relies on the co-operation of the parties concerned to supply us with the necessary information.
- (5). The Council has the obligation to tender advice to the Government as well as the public upon the conclusion of our study.

**4. Law enforcement**

- (1). The Council is not a law enforcement agency.
- (2). It has been the conscious decision of the Council not to be involved in the enforcement of any specific piece of legislation in the past. The result of the impending review exercise may/may not point to a different direction.
- (3). The Council believes that some of the problems that the consumer/ Council encounters may be due to the deficiencies in some of the existing consumer protection laws. In the past 27 years, the Council has been reviewing the adequacy of these laws, advocating legislative changes to improve protection to consumers as the need arises.
- (4). The Council believes that its proposed general competition legislation is best to be administered by an independent agency other than itself, in order to ensure the necessary degree of transparency and equity.
- (5). The Council has recently made a proposal of amending the Consumer Council Ordinance to confer on it the right to sue, in its own name, on behalf of consumers.