

For discussion  
on 23 April 2007

## **LegCo Panel on Administration of Justice and Legal Services**

### **Recovery Agents**

The object of this paper is to set out recent developments on the topic of recovery agents.

#### **Recent Development**

2. The Administration met with representatives of the Law Society and the Bar Association on 11 April 2007 to discuss the issue. During the meeting, the Department of Justice reported on progress in the areas relating to public education, possible prosecution and possible legislation to protect victims who have been misled by recovery agents. At the same time there were constructive exchanges of views and suggestions on the issue. The following is an update of the respective areas of work –

#### **Public Education**

3. In order to increase public awareness of the risks of the activities of recovery agents, we are arranging an Announcement of Public Interest (API) to be broadcast on the radio. It is expected that the API will be broadcast in the near future after the logistical arrangements are completed.

4. Subject to financial considerations, we are also exploring the feasibility of the production of a television API.

5. At the same time, we are exploring the possibility of arranging a message to be broadcast in the “Police Call” programme to warn the public of the risk of recovery agents.

6. The Administration will also work closely with the Law Society and the Bar Association on other activities relating to public education on the risks of the illegal activities of recovery agents.

#### Possible Prosecution

7. The Police are currently investigating seven cases.

8. During the investigations, the Police have encountered difficulties in gathering documentary evidence and establishing money trails. In some cases, victims declined to assist the Police investigation. Some cases involved an insurance company which is situated overseas. This has made the gathering of evidence more difficult. The Police are also looking at the evidence with a view to see if prosecution may be brought for theft, deception or fraud.

9. According to the updated progress provided by the Police, the cases have recently been forwarded to the Commercial Crime Bureau for review and further action due to their complicated nature.

#### Possible Legislation

10. The Administration does not rule out the possibility of introducing legislation for the purpose of protecting the interests of the public against abuse by recovery agents. From the discussions with the Law Society and the Bar, it appears that the major concern is in relation to the possible exploitation of persons who suffer personal injury. Meanwhile, we await the outcome of the Police investigation and any possible prosecution of the relevant parties in the cases being investigated. It is our understanding that the recommendations of the Law Reform Commission relating to conditional fees arrangements and expansion of legal aid are to be released soon. The recommendations on the issue of conditional fees and legal aid may have a bearing on the way forward relating to recovery agents.

Department of Justice  
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