

政府總部  
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GOVERNMENT SECRETARIAT  
LOWER ALBERT ROAD  
HONG KONG

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31 October 2006

Mrs Sharon Tong  
Clerk to Panel  
Legislative Council  
3/F Citibank Tower  
3 Garden Road  
Central, Hong Kong

Dear Mrs Tong,

### Consumer Fraud

Thank you for your letter of 13 October 2006, asking for the following information –

- (a) statistics on consumer fraud in the past three years; and
- (b) measures adopted by the Administration in combating the problem.

We have consulted the relevant bureaux (Economic Development and Labour Bureau and Commerce, Industry and Technology Bureau) and departments (the Police and Customs & Excise Department (C&ED)). This is a joint reply.

As there is no standard definition of the term “consumer fraud”, for the purpose of this reply we have taken it to mean such offences as deception, false trade description and misrepresentation in respect of goods, and fraud in respect of the weights and measures of goods supplied.

### **Statistics**

Deception-related acts are criminal offences under the Theft Ordinance (Cap. 210). The Police do not specifically keep breakdown of figures for fraud related to consumers. The prosecution statistics kept on the number of persons principally charged of deception offences are –

2001	2002	2003	2004	2005
532	640	647	598	627

Offences in relation to false trade descriptions and misrepresentations in respect of goods, and fraud in respect of the weights and measures of the goods supplied are offences under the Trade Descriptions Ordinance (Cap. 362) and Weights and Measures Ordinance (Cap. 68) respectively. These Ordinances are enforced by C&ED and the prosecution statistics are as follows –

- (a) Number of persons and companies prosecuted for making false trade descriptions and misrepresentation in respect of goods etc. :

2001	2002	2003	2004	2005
832	699	697	543	669

- (b) Number of persons and companies prosecuted for committing fraud in respect of the weights and measures of the goods supplied etc. :

2001	2002	2003	2004	2005
68	62	30	25	27

### Measures adopted to tackle the problem

The Police have adopted a two-pronged approach to tackle the issue of fraud –

- (a) **Investigation of allegations of crime** : All allegations of deception will be thoroughly investigated and the offender will be arrested and prosecuted if there is sufficient evidence against him. From time to time, the Police also mount operations against selected shops to put them under observation. Shoppers who have just patronized these shops will be approached to gather evidence of potential crimes that might have been committed by the shops.
- (b) **Education** : Awareness campaigns such as distribution of leaflets are conducted jointly with the Hong Kong Tourism Board on a regular basis, especially in tourist areas during peak seasons, e.g. Golden Week holidays, to remind tourists / consumers not to fall prey to fraud

and to report any suspected malpractice of shops to the relevant authorities.

C&ED adopts the following measures to combat **counterfeiting activities** –

- (a) **Stringent enforcement** at all levels : Focused and repeated raids are conducted against counterfeiting goods at the production, distribution, storage and retail levels.
- (b) **Boundary interception** : In close liaison with law enforcement agencies in other jurisdictions, C&ED maintains effective boundary control of inbound and outbound cargo by land, air and sea to curb the cross-boundary smuggling of counterfeit goods.
- (c) **Strategic partnership with trademark owners** : C&ED works in close partnership with the industry in the fight against counterfeiting activities in many aspects, such as intelligence exchange, seizure identification, and training of frontline officers on product identification.
- (d) **Publicity and public education** : C&ED often joins hands with the Intellectual Property Department, other public organizations and the industry to organize publicity and educational activities to raise the public's awareness of intellectual property rights protection.


C&ED addresses the problem of **fraudulent weights and measures** through the following measures –

- (a) **Spot checks** are conducted on stalls at various markets and shops to verify the accuracy of their weighing equipment and to detect any fraudulent practice;
- (b) **Prosecution** will be taken against those who violate the Weights and Measures Ordinance; and
- (c) On the **publicity** front, pamphlets are distributed to the public through the District Offices and posters affixed at various market places to advise the public their rights as consumers and remind them to lodge complaints should they suspect any case of short-weight or cheating.

In addition, the following legislation is in place to allow consumers to take civil actions where they are not satisfied with the supply of goods or services –

- (a) **Unconscionable Contracts Ordinance** (Cap. 458), which empowers the courts to refuse to enforce, or to revise unconscionable terms in consumer contracts for the sale of goods or supply of services;
- (b) **Supply of Services (Implied Terms) Ordinance** (Cap. 457), which stipulates that a supplier of a service is obliged to carry out the service with reasonable care and skill and within a reasonable time; and
- (c) **Sale of Goods Ordinance** (Cap. 26), which provides that where a seller sells goods in the course of a business, there is an implied condition that the goods supplied are of merchantable quality and that a buyer has the right to reject defective goods unless he or she has a reasonable opportunity to examine the goods.

Yours sincerely,

  
( Apollonia Liu )  
for Secretary for Security

c.c. SEDL (Attn : Mr Jonathan McKinley)  
SCIT (Attn : Ms Winnie Chan)  
C of C&E (Attn : Mr Ben Ho)  
C of P (Attn : Mr Keith Chau)