

Hong Kong Customs actively follows up on issue relating to business suspension of beauty group

Hong Kong Customs today (September 14) provided an update on its investigation into the incident earlier in which three beauty parlours under a beauty group had suddenly announced that they were suspending operations.

As of 8am today, Customs had received a total of 220 complaints regarding the beauty group, involving 171 complainants and beauty contracts amounting to about \$9.8 million. The dedicated team of Customs has contacted all complainants to obtain the details of each complaint and to commence investigations.

Initial investigation revealed that the three beauty parlours involved were under the same beauty group. On September 6 and today, Customs officers interviewed two directors of the beauty group in order to pursue an investigation into the incident. Also, the officers strongly reminded the directors that traders are obligated to properly handle the pre-payment services purchased by their customers under any circumstances, for instance to provide a refund arrangement.

Customs will closely monitor the development of the incident and will continue to maintain close contact with the Consumer Council as well as Legislative Council members and District Council members who are assisting the affected customers.

Investigation by Customs is still in progress. Customs officers will probe into whether the trader involved has committed the offence of wrongly accepting payment under the Trade Descriptions Ordinance (TDO). Should there be any violation of the TDO, Customs will take immediate enforcement action.

Under the TDO, any trader commits an offence if at the time of acceptance of payment, the trader intends not to supply the product or intends to supply a materially different product, or there are no reasonable grounds for believing that the trader will be able to supply the product within a specified or reasonable period. The maximum penalty upon conviction is a fine of \$500,000 and imprisonment for five years.

Customs reminds traders to comply with the requirements of the TDO. Consumers are also reminded to procure services at reputable shops and think prudently before making decisions for consumption with prepayment.

Members of the public may report any suspected violations of the TDO to Customs' 24-hour hotline 2545 6182 or its dedicated crime-reporting email account (crimereport@customs.gov.hk).