

LCQ16: Online group purchases

Following is a written reply by the Secretary for Commerce and Economic Development, Mr Gregory So, to a question by the Hon Paul Tse in the Legislative Council today (November 2):

Question:

I have learnt that online group purchases are popular in recent years, with many consumers buying various kinds of travel related products and services, including land travel tickets, ferry tickets, admission tickets for tourist attractions and even group tours, etc., through group purchase web sites. Yet, such group purchase companies are, in general, neither licensed travel agents nor subject to regulation by the relevant regulatory authorities. In this connection, will the Government inform this Council:

(a) of the policy and measures put in place by the authorities to protect those consumers who purchase travel related products and services through the aforesaid group purchase companies;

(b) whether it knows the number of complaints received by the Travel Industry Council of Hong Kong, the Hong Kong Tourism Board and the Tourism Commission in the past two years, which involved group purchase travel products and services; and

(c) whether the authorities will alert consumers, by means of media publicity, to stay vigilant, or take other precautionary measures to avoid, as far as possible, consumers incurring losses as a result of buying travel related products and services through group purchase companies?

Reply:

President,

Our replies to the questions raised by the Hon Paul Tse are as follows:

(a) The Trade Descriptions Ordinance (Cap. 362) (the Ordinance) prohibits any person from applying false trade descriptions to goods in the course of trade. The Ordinance applies to both conventional and online trades. We are now preparing a

Bill to extend the application of the Ordinance from goods to services and to prohibit common unfair trade practices other than false trade descriptions, such as the practice of accepting payment without the intention or ability to supply goods or services contracted for.

Regarding the purchase of travel packages or tour group services through group purchase companies, the traveller concerned, after payment, has to contact directly the licensed travel agent offering the product for redemption of the product and confirmation of details, including the itinerary, date of departure, as well as transport and accommodation arrangements. The traveller should ask the licensed travel agent concerned for an official receipt franked with the levy stamp of the Travel Industry Compensation Fund (TICF) for the TICF protection.

(b) In the past two years, the Travel Industry Council of Hong Kong and the Hong Kong Tourism Board did not receive any complaints about group purchase travel products and services. Among the complaints received by the Travel Agents Registry under the Tourism Commission during the same period, a total of nine cases were related to group purchase travel products and services.

(c) With regard to general online group purchases, the Consumer Council published, in the April 2011 issue of the “CHOICE” magazine, a feature article introducing the operation of online group purchases, possible transaction risks and issues to pay attention to (for example, the need to understand the rights and obligations of these group purchases portals, the history of transactions conducted through such portals and the terms of transactions, etc). We will continue to work with the Consumer Council to strengthen consumer education. Moreover, the Government has been broadcasting announcements of public interest regularly to remind outbound travellers to patronise licensed travel agents and check their receipts to confirm whether the travel products concerned are covered by the TICF protection.

Ends/Wednesday, November 2, 2011

Issued at HKT 12:06