

LCQ17: Protection for consumers who bought travel packages

Following is a written reply by the Secretary for Commerce and Economic Development, Mr Gregory So, to a question by the Hon Paul Tse Wai-chun in the Legislative Council today (November 30):

Question:

In recent years, the number of outbound travellers of Hong Kong who buy travel packages from licensed travel agents to visit other places on DIY tours (DIY travellers) has been on the increase. In the event of natural or man-made disasters (e.g. Thailand's red-shirt protest in 2009, as well as the earthquake and radiation leak incidents in Japan, and the flood disaster in Thailand this year, etc.), my Member's office (my office) would receive a large number of enquires and urgent requests for assistance from DIY travellers, who indicated that despite their incessant attempts to contact the relevant government departments and organisations (including the Travel Industry Council of Hong Kong (TIC), Tourism Commission (TC) and Consumer Council (CC), etc.), they could not get the assistance they urgently needed. They pointed out that TIC's telephone lines were very busy, or its staff just asked them to leave their contact information but did not reply after a long time. The staff of my office had on their behalf relayed their cases to TC which supervises TIC, but TC could not provide any assistance either. In addition, quite a number of DIY travellers even pointed out that travel packages are products that are not monitored by all the three parties (i.e. the Government, TIC and CC cannot offer any protection or regulate). In this connection, will the Government inform this Council:

- (a) of the respective numbers of complaints involving travel packages received by TIC, TC and CC in each of the past three years;
- (b) regarding DIY travellers affected by Amber or Black Outbound Travel Alert (OTA) issued by the authorities for their outbound travel destinations, whether they are provided with any protection under the existing legislation; if so, of the details (including the protection they can obtain in respect of changes or cancellation of itineraries, or during their visit to the relevant countries or regions when OTA is still in effect); if not, the reasons for that;
- (c) whether it has conducted study on the improvement to the existing policies and measures, with a view to providing DIY travellers with reasonable, timely and

appropriate assistance for issues involving travel packages; if it has, of the details; if not, whether it will conduct such a study immediately;

(d) what policies it has put in place to ensure that before making any advance booking for air tickets or hotel rooms through travel agents, DIY travellers understand that they will not enjoy the same protection as that offered to group tours which generally pay a Council levy to TIC, so as to avoid causing any dispute; if not, whether it can conduct study in this regard promptly; and

(e) given that some DIY travellers pointed out that, they could not get assistance when sudden incidents took place at their outbound travel destinations and they urgently needed to seek information or assistance from TIC before setting off for the journey, how the Government ensures that in the event of such outbound travel incidents, TIC will have sufficient manpower to handle enquires from travellers, and whether it will consider setting up enquiry hotlines by TC to offer appropriate assistance to travellers; in addition, given that many travellers aggrieved by the way TIC had handled their complaints had lodged complaints with CC, but were rejected on the ground that travel-related complaints should be handled by TIC, whether the Government will explain clearly to the public how CC and TC handle the complaints of DIY travellers, and whether such organisations have the authority and responsibility to handle complaints including those seeking redress for grievances about the way how TIC had handled their complaints?

Reply:

President,

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

(a) The numbers of complaints related to travel packages received by the Travel Industry Council of Hong Kong (TIC), the Tourism Commission (TC) and the Consumer Council (CC) respectively in the past three years are set out in annex.

(b) and (c) The Outbound Travel Alert (OTA) System set up by the Government aims to facilitate Hong Kong residents to better understand possible risks to their personal safety when travelling overseas, so that they may make their travel plans and arrangements accordingly. While it is a personal decision of residents to travel abroad, they are encouraged to make reference to the OTA and assess the relevant factors as

well as their personal circumstances before firming up their travel plans or travelling abroad.

On protection of outbound travellers, the Travel Agents Ordinance (Cap 218) provides that travellers holding receipts franked with the levy stamp for joining package tours or purchase of travel packages comprising carriage from Hong Kong to places outside Hong Kong and accommodation outside Hong Kong are under the protection of the Travel Industry Compensation Fund (TICF). The TICF provides protection to travellers who may claim ex gratia payments up to 90% of the outbound fares paid if a licensed travel agent defaults. It also provides a maximum amount of HK\$300,000 as financial relief to cover the actual expenses incurred in case of a traveller's death or injury caused by an accident in an activity of a package tour organised by a travel agent.

Moreover, the Government, the TIC and the Travel Industry Compensation Fund Management Board (TICFMB) always encourage the public to purchase travel insurance that suits their personal needs before travelling abroad and pay attention to the coverage provided. The travel insurance available in the market now in general offers protection to outbound travellers against losses incurred due to forced cancellation or change of itineraries as a result of the issuance of Black OTA. There are also individual travel insurance products which provide protection to outbound travellers to partially cover their losses incurred as a result of the issuance of Red or Amber OTA.

(d) As mentioned above, outbound travellers holding receipts franked with the levy stamp for purchase of travel packages comprising carriage from Hong Kong to places outside Hong Kong and accommodation outside Hong Kong are protected under the TICF in the event of a travel agent's default. However, travellers buying air tickets alone or hotel accommodation alone are not covered by the TICF. Over the years, the TICFMB has publicised the purpose of the TICF and deepened travellers' knowledge in the scope of protection through various channels, such as television, radio, newspapers, website of the TICF, publicity leaflets and travel agents. Where necessary, it also updates the publicity content on the TICF from time to time.

(e) In addition to handling general enquiries and complaints from travellers, the TIC also co-ordinates within the trade in handling emergency incidents involving outbound tours, and providing appropriate assistance to travellers. The TIC has a dedicated department for handling enquiries and requests for assistance from

travellers. In times of emergency incidents, the number of enquiries and calls for help received by the TIC inevitably increases. The number may soar from the usual daily average of 30 to over 200 if the incident occurs in travel destinations that are popular among Hong Kong residents, such as Thailand where the recent flooding occurred. The sudden influx of cases requiring urgent follow-up actions puts additional pressure on the work of the TIC, but the TIC still strives to follow up each and every case promptly. The TIC also reviews its procedures and resource allocation for handling travellers' enquiries from time to time to enhance its operation. The TC and Travel Agents Registry under it also receive enquiries and requests for assistance from travellers from time to time, and will liaise closely with the TIC to render timely assistance to travellers as far as possible.

The Consumer Relations Department and Inbound Department under the TIC deal with enquiries and complaints from outbound and inbound travellers respectively. Some travellers may lodge complaints about travel products to the CC and request it to follow up. To enhance the efficiency in handling complaints and optimise the use of resources, the CC and the TIC have established a complaint referral mechanism. Under this mechanism, complaints received by the CC that involve issues under the TIC's regulatory purview, such as travel products provided by the TIC's member travel agents, registered shops or reception service for inbound tour groups etc., are referred to the TIC for direct contact with the member travel agent, registered shop or traveller concerned for mediation of the dispute. For complaints involving issues outside the TIC's purview, such as direct purchase of air tickets from airlines or shopping at general retail shops, the CC will directly contact the merchants concerned for follow-up actions.

The TIC's Board of Directors oversees the TIC's complaint handling mechanism and procedures. The TC always monitors the TIC's operation closely and requires it to deal with complaints in an impartial, professional and serious manner. Whenever the TC receives complaints from travellers who are dissatisfied with the TIC's handling of their case, it will seek information from the TIC, and offer advice and assistance as necessary. The CC is not empowered to handle complaints against the way the TIC handles complaints.

Ends/Wednesday, November 30, 2011

Issued at HKT 13:44