

Policy on travel agents reviewed

# Action on tour fraud now likely

The Government may review its policy over travel agents in order to offer the public more protection from fraudulent agencies, the Secretary for Economic Services, Mr D. G. Jeaffreson, told the Legislative Council yesterday.

He was replying to a question from Mr Peter Wong, who had asked whether the Government might reconsider regulating travel agents' operations or advise the public on how to protect themselves from unscrupulous operators.

Mr Jeaffreson repeated previous statements that the Government's general view on

consumer protection was that the best protection was for consumers themselves to take care over their purchases.

"The Government should intervene only to protect consumers when they cannot, because of the nature of the goods and services being provided, be expected to protect themselves," he said.

However, Mr Jeaffreson said the Government had received a report on the subject of travel agents from the Consumer Council and there seemed a prima facie case to intervene, though it was not convinced consumers had no means of assessing the reliability of agents.

Most complaints involved agents rendering a poor quality of service or, more importantly, failing, possibly with criminal intent, to produce services paid for in advance, he said.

"This year, four agents, all of whom had been established no earlier than November last year, have absconded with

over \$4 million paid by 3,278 people," said Mr Jeaffreson.

"Further and more detailed investigation into all these cases is proceeding. Charges have been brought in one of the recent cases and it would be improper for me to comment, at this stage, upon the circumstances and the motives of those involved."

On the question of Government policy, he said: "I can see no grounds for revising the Government's policy on consumer protection generally.

"That is to say, I am not convinced that it is either necessary, desirable or practicable for members of the travelling public to be afforded protection in respect of the quality of services actually rendered, for these matters must essentially be left to individual selection and judgment.

"But I am now convinced that, if practicable, members of the travelling public ought to be afforded some measure of protection against fraud."

He had reached this conclusion for three reasons, he said:

- It was possible for anyone to set up a travel agency simply by obtaining a business registration licence.

- By the nature of the business, people pay in advance for services.

- Some agents seem not to be honouring this trust and potential travellers are not being sufficiently careful in selecting the agents.

"In these circumstances, we are now considering what measures it would be appropriate for the Government to introduce in order to afford members of the travelling public a reasonable degree of protection against fraud in general and absconding in particular," said Mr Jeaffreson.

"We are consulting the Consumer Council and the travel industry."

(Legco reports on Page 10)