

**Press release**

**LCQ12: Operation of Octopus payment system**

Wednesday, January 27, 2010

Following is a question by the Hon Andrew Cheng and a written reply by the Secretary for Financial Services and the Treasury, Professor K C Chan, in the Legislative Council today (January 27):

Question:

Regarding the operation of Octopus payment system, will the Government inform this Council whether it knows:

(a) the total number of complaint cases received by Octopus Holdings Limited (OCL) relating to erroneous deductions of amounts from Octopus cards in each of the past two years, and the total amount of money involved;

(b) the time normally taken by OCL to handle and settle cases relating to erroneous deductions of amounts from Octopus cards at present, and the time taken to complete refund arrangements;

(c) if OCL has a mechanism to report on its own accord to the public on the details of cases of erroneous deduction of amounts at present; if so, of the details of the operation of mechanism; if not, the reasons for that; and

(d) the total amount of deposits for Octopus cards as at the end of 2009?

Reply:

President,

(a) Most cases of wrongful charging on Octopus cards arose from operational mishandling by service providers, while a small portion of the cases were due to transaction procedures not correctly followed by cardholders. In 2008 and 2009, OCL received and handled 689 and 536 such cases, involving approximately HK\$36,000 and HK\$28,000 respectively.

(b) According to OCL, over 95% of the valid cases of wrongful charging on Octopus cards were handled and arranged for refund to cardholders within seven business days.

(c) As explained above, most cases of wrongful charging on Octopus cards arose from operational mishandling by service providers, while a small portion of the cases were due to transaction procedures not correctly followed by cardholders. Upon notification by service providers or inquiry by cardholders of such cases, OCL will take prompt and appropriate action to follow up on them.

If the cases of wrongful charging arise from errors in a service provider's charging system, OCL will discuss with the service provider concerned on arrangements to alert the public. However, if the cases are isolated incidents, there is no need to alert the public.

(d) As at end 2009, the total of Octopus card deposits held by OCL amounted to about HK\$720 million.

Ends