

**Press release**

**LCQ17: Octopus Cards**

Wednesday, January 23, 2008

Following is a question by the Hon Lau Kong-wah and written reply by the Secretary for Financial Services and the Treasury, Professor K C Chan, in the Legislative Council today (January 23):

Question:

Will the Government inform this Council whether it knows:

- (a) the total number of Octopus cards issued by Octopus Cards Limited (OCL) so far, and the percentage of such cards returned;
- (b) the respective numbers of reports of defective Octopus cards and faulty deduction, the causes for such cases, and the time normally taken by OCL to complete the handling of such cases; and
- (c) the progress of OCL's plans to promote the use of Octopus cards on the Mainland (such as for fare payment on the Shenzhen Metro), and whether technical difficulties are involved?

Reply:

Madam President,

Our responses to the questions raised by Hon Lau Kong-wah are as follows:

- (a) According to the statistics provided by the Octopus Company Limited (OCL), as at end December 2007, there were over 16 million Octopus cards in circulation. The Company indicates that the number of cards returned represents a small proportion of the cards issued and the number has been quite

stable. The majority of the cards returned to OCL came from departing overseas tourists and mainland visitors. Due to commercial reasons, OCL will not provide the actual number of the returned cards.

(b) According to information provided by OCL, there were 837 cases of erroneous deduction in the last two years. This is a very small number when compared to the 10 million transactions handled daily by Octopus. Most of the cases of erroneous deduction were caused by mishandling of the deduction process by either the cardholders or the cashier of the service providers. On average, it takes OCL seven working days to conduct investigation, and where appropriate, to make refund to the affected cardholders.

On the other hand, the number of defective Octopus cards also accounts for a very small percentage of the number of Octopus cards issued. Improper storage or handling by the cardholders which caused physical damage to the cards is the main reason for defect. Normally OCL would take five working days to conduct investigation and replace defective cards. Due to commercial reasons, OCL will not provide information about the number of defective Octopus cards.

(c) Since 2006, Octopus cards have been in use in certain retail outlets in Shenzhen. We understand from OCL that it will continue to explore the feasibility of making the Octopus and Shenzhen Tong cards interoperable, subject to commercial, operational and technical considerations.