

Beware of touting activities of recovery agents

Members of the public are cautioned against the touting activities of recovery agents who advertise their services in assisting clients handle claims for accident compensation on a "no win, no charge" basis.

A Department of Justice spokesman said today (July 8) that the activities of recovery agents may constitute offences of champerty and maintenance, and there was concern that the interest of the victims of personal injury cases may be jeopardised as their legal rights to compensation may not be fully protected.

He stressed that people injured in any accidents, including employees injured at work and victims of traffic accidents, should seek proper legal advice or assistance from solicitors or relevant government departments such as the Legal Aid Department, the Labour Department and the Social Welfare Department.

In their advertisements, these recovery agents claim that they will assist people injured in any accident to pursue their claims for a fee chargeable only when they are successful in recovering damages.

However, pursuant to agreements made between the recovery agents and the victims, the victims would have to pay to the recovery agents a substantial portion of the compensation obtained from the defendants, the spokesman added.

Noting that the Government was committed to combating the crime of champerty and maintenance, the spokesman welcomed the operation mounted by the police throughout the territory on July 3, in which 21 people were arrested in connection with the offences.

Of the 21, two were charged with offences including "conspiracy to commit maintenance", "champerty", and "conspiracy to commit champerty", and were brought to the court today.

Under the laws of Hong Kong, unlawfully maintaining or sharing the profits of legal proceedings may constitute criminal offences, which are subject to a fine and up to seven years' imprisonment.

A newly produced announcement of public interest (API) will be broadcast on all TV and radio stations from tomorrow to remind the public to be aware of the unlawful activities of recovery agents.

Ends/Tuesday, July 8, 2008