

**Can financial intermediaries  
really help you?**



**Stay vigilant. Beware of the  
unscrupulous business practices  
by financial intermediaries.**



**Financial Services and the Treasury Bureau**  
The Government of the Hong Kong Special Administrative Region

If you are in need of cash for business operations, personal spending or investment, take note of the following in order to avoid being trapped and suffering financial losses:

1

Q

**Are cold calls or mails from intermediaries who claim that they can help me secure a loan credible?**

A

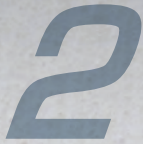
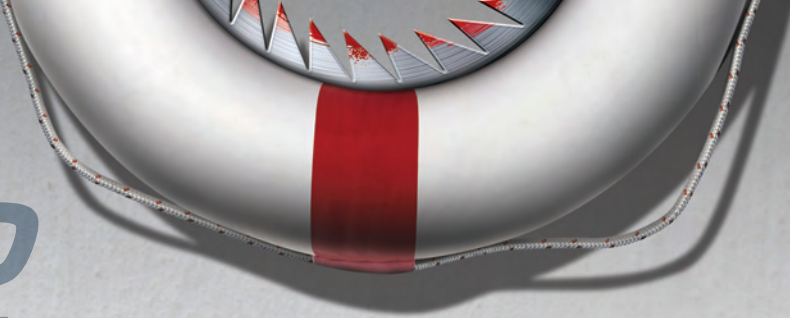
These cold calls or mails are likely to be made by unscrupulous intermediaries who use fraudulent means to win your trust, but actually they have no intention or way to help you secure a loan. Beware of the following fraudulent sales practices commonly used by unscrupulous intermediaries who may decoy you to sign an intermediary contract and pay them exorbitant fees:

- Claim to be associated with banks and are able to help you secure low-interest rate loans quickly and conveniently.

**\*\*The Hong Kong Monetary Authority ("HKMA") has required banks to cease the use of referral services offered by intermediaries in respect of retail consumer financial products and services e.g. personal loans, credit card loans, tax loans, etc. If an intermediary claims to be able to help you secure such loans from banks, this may involve fraudulent acts.\*\***

- Claim to provide financial assessment services (e.g. debt restructuring, stress test or improving loan records, etc.) or professional services (e.g. provide accounting or legal advice) for you in the name of an "accounting firm", a "law firm" or a "consultancy", but actually it is a trap to deceive you for a high fee.
- Make empty promise of "free service if loan application is unsuccessful", but still demand a high fee even if the application is unsuccessful or you eventually decided not to use the loan services.
- Claim to be able to help you apply for low-interest rate loans as long as you have cash-backed guarantee, and then suggest you to obtain another loan from their recommended money lender for which they would charge a high fee. They may even make various excuses (e.g. for guarantee or security) to withhold most of the loan amount obtained by you.
- Claim to represent a government department or a public organisation in their calls or mails and threaten you that there are problems with your existing loan or property mortgage, and then suggest you to restructure your debt so as to decoy you to obtain a loan from their recommended money lender for which they would charge a high fee.



**Q** Should I give it a try if an intermediary claims to be able to help me secure a special offer if I mortgage or re-mortgage my property?

**A** Unscrupulous intermediaries tend to target homeowners for potentially greater rewards. After your property is mortgaged or re-mortgaged, they will force you to sell your property to pay them a high handling fee or a large sum under the pretext of guaranteed deposit. At the end, you will suffer from financial and property losses which may also affect your family or friends. So, do think twice and have a clear understanding on the fees charged by the intermediary and the terms of the intermediary contract before you agree to mortgage or re-mortgage your property.

**Q** What should I do if I receive sales calls or mails from intermediaries?

**A**

- First, you should verify the caller's/sender's identity.
  - ✦ Do not rashly disclose your personal information, including your financial status, e.g. bank loans' records
  - ✦ Do not rashly believe in the alleged identity of the person who makes a cold call or mail
    - ✱ If the caller claims to be a bank staff, you should check the caller's identity with the bank by calling their hotline. \*\*You may locate the hotline numbers from the retail banks' websites, or from the newly set up dedicated webpage of HKMA and the Hong Kong Association of Banks \*\*
    - ✱ If the caller claims to be authorised by a money lender, you should check with the money lender concerned directly if you have any doubt.
    - ✱ If the caller or sender claims to be representing a government department or public body, you should call the relevant government department or the hotline posted on the public body's website to check the identity of the caller/sender.
- Think twice, in order to avoid traps and unnecessary payment of intermediary fee, before you decide to use intermediary service instead of applying loan directly from a bank or money lender.



- Pay special attention to the following before signing any contract with an intermediary:
  - ✦ Ask the intermediary to confirm the fees and charges, and double check whether they are accurately reflected in the contract and the relevant terms
  - ✦ Do not be influenced by sales tactics (e.g. “special offer within the promotion period”; “last day of promotion”, etc.) to make rash decisions; you are not obliged to sign any contract even if urged by the intermediary
  - ✦ Understand fully the loan terms and your rights and responsibilities in the transaction
  - ✦ Think twice and preferably discuss with family or friends if you do not understand the terms or wording of the contract
  - ✦ Ask a family member or friend to help you understand the terms of the contract if it is not presented in a language familiar to you (e.g. in Chinese)
  - ✦ Make sure the intermediary agrees to provide you with a copy of the contract
- After signing a contract, you should keep a copy of the contract for record.
- If the contract agreement relates to the mortgage or re-mortgage of your property, you should pay extra attention to the following:
  - ✦ Do not rashly believe any claim that you have committed irregularities in your mortgage or re-mortgage; you should first check with relevant institution or department direct
  - ✦ Be mindful of the risks involved in mortgaging or re-mortgaging your property (including the adverse consequences for you and your family or friends if you are required to sell your property later to repay loans or intermediary fees).
- Report to the police if you notice any suspicious intermediary or you suspect having been deceived by an intermediary

Q

**Many intermediaries use “special offer” and “easy repayment” as selling points. Their attractive offer seems to be able to solve my financial problems. Is it worth trying?**

A

Intermediaries always claim to be capable of helping you to obtain swift loans from money lenders with favourable terms, so that you can repay credit card bills or other high interest rate loans with ease. But the reality is: you have to pay for what you borrow. Do not rashly believe in these sales tactics. You should review carefully your ability to repay a loan to avoid traps from intermediaries.

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If I, my family, friends or colleagues are in financial difficulties, where can we seek assistance?

A

You may seek free advice and assistance by the following means:

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## 24-hour hotline

Name of Hotline	Telephone
Caritas Family Crisis Support Centre Financial Distress Counseling Hotline <i>Note</i>	3161 0102
TWGHs Financial Relief and Counselling Line <i>Note</i>	2548 8411
Social Welfare Department (SWD) Hotline	2343 2255

*Note: The hotline service will commence with effect from 25 April 2016.*

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## Debt and Financial Management Service

Name	Telephone	Address / Website
Caritas Family Crisis Line and Education Centre	3161 2929 (Debt Counseling and Financial Capability Service) <b>Opening Hours:</b> Monday to Friday (except public holidays) 12:00 pm - 11:00 pm	No. 50, Kwun Tong Road, Kowloon (Caritas Family Crisis Line and Education Centre will be relocated to 6/F, 134 Boundary Street, Kowloon in August 2016.) <a href="http://debt.caritas.org.hk">http://debt.caritas.org.hk</a>
TWGHs Healthy Budgeting Family Debt Counselling Centre	2548 0803 (TWGHs Healthy Budgeting Family Debt Counselling Hotline) <b>Opening Hours:</b> Monday to Friday 10:00 am - 6:00 pm Wednesday 10:00 am - 10:00 pm Thursday to Friday 2:00 pm - 10:00 pm (except public holidays)	Room 1401, 14/F., Tung Sun Commercial Building, 194-200 Lockhart Road, Wanchai, Hong Kong <a href="http://fdcc.tungwahcsd.org">http://fdcc.tungwahcsd.org</a>

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## General counselling services

You may also approach the Integrated Family Service Centre/Integrated Services Centre operated by the SWD or non-governmental organisations for assistance. Please call SWD hotline <2343 2255> or browse SWD website (<http://www.swd.gov.hk/tc/index/>) at any time for the addresses, phone numbers and operating hours of these Centres.