

Implementation of HKeToll by Transport Department and loss of vehicle tags in post Investigation Report

On 28 January 2023, this Office received a complaint against the Transport Department (“TD”).

The Complaint

2. The complainant alleged that he applied to TD for renewal of vehicle licence concurrently with a HKeToll vehicle tag (“the vehicle tag”). On 10 January 2023, he received an email notifying him that the vehicle tag would be mailed to his address within five working days, but it never arrived. The complainant then called the HKeToll hotline (“the Hotline”) for enquiry. The Hotline staff said that TD had provided an incorrect postal address. The complainant then called TD for verification, and TD confirmed that his postal address was correct. He called the Hotline again, asserting that his address had been verified by TD as correct, but the Hotline staff requested him to visit a service outlet for re-issuance of vehicle tag.

3. The complainant was dissatisfied that TD had not properly processed his application for a vehicle tag, resulting in its loss in the post. He also considered the Hotline unreasonable and wasting his time for suggesting him to visit a service outlet for re-issuance of vehicle tag.

Investigation Process

4. This Office initiated an inquiry against TD on 14 February 2023, and decided to conduct a full investigation on 1 March. On 9 August, TD issued its first response and provided the information required. In October 2023, we completed our investigation with the following findings.

Our Findings

Implementation of HKeToll

5. As one of the Policy Measures announced by the Chief Executive in his 2022 Policy Address, free-flow tolling is to be rolled out at Government tolled tunnels and the Tsing Sha Control Area (“TSCA”), enabling motorists to pay tolls remotely in an efficient manner. TD decides the order of implementing the HKeToll, the free-flow tolling system, at various tunnels based on such factors as the traffic volume, the toll plan (i.e. a flat toll or differential tolls according to vehicle types), etc. TD’s plan is to implement the HKeToll at all Government tolled tunnels and the TSCA by the end of 2023. TD said that the Government aims to require all vehicles with licences or International Circulation Permits to use the toll tag (i.e. vehicle tag) compulsorily in future.

Application Procedures and Progress of Issuing HKeToll Vehicle Tags

Application Procedures

6. In anticipation of the HKeToll implementation, from 1 November 2021, registered vehicle owners (“vehicle owners”) could submit pre-application for vehicle tags to the Toll Service Provider (“TSP”) concurrently with vehicle-related licensing applications to TD, so that they can pay tunnel tolls upon the implementation of HKeToll afterwards. Moreover, vehicle owners must provide e-contact means (i.e. a Hong Kong mobile phone number or an email address) for identity verification to apply for the vehicle tag, add vehicles to the HKeToll account and receive toll payment notifications from TD. The TSP started processing the pre-applications gradually since mid-December 2022.

7. Vehicle owners who had not pre-applied for vehicle tags could also submit applications from 6 January 2023 via the HKeToll website or mobile application, by post, fax or email, or in person at the four customer service centres and four service outlets of the TSP. Upon application, vehicle owners have to provide their vehicle registration marks and e-contact means registered with TD, and enter a one-time password for verification.

8. When a vehicle owner applies to TD for a vehicle tag concurrently with licence renewal, TD’s computer system would execute the instructions and transmit information of the vehicle owner, including name, address, etc., to the HKeToll backend system. The TSP would print and issue the vehicle tag to the vehicle owner accordingly. Applications submitted through the TSP’s channels (see **paragraph 7**) are processed under the same arrangement.

9. Generally, the TSP would process an application for vehicle tag within five working days upon receipt and mail the vehicle tag to the address of vehicle owner. Those who apply in person at customer service centres or service outlets can receive the vehicle tag on the spot.

Progress of Issuing Vehicle Tags

10. TD explained that vehicle owners are required to apply to TD for renewal of vehicle licences annually. In other words, all of them should have provided TD with e-contact means (see **paragraph 6**) one year later (i.e. by November 2022) to facilitate application for the HKeToll. As such, TD announced at a press conference on 6 January 2023 that the HKeToll would be implemented first in the TSCA in February 2023, and vehicle tags were issued immediately to some 260,000 vehicle owners who had made pre-applications.

11. TD added that if vehicle tags had been issued too early, some vehicle owners might have forgotten how to install and use them. TD, therefore, decided to issue vehicle tags to pre-registered vehicle owners on the same day of the above-mentioned

announcement, and to actively promote how to install and use the vehicle tags so that vehicle owners could complete the procedures of opening a HKeToll account, adding vehicles to the account and linking up the payment method in one go after receiving the vehicle tags.

12. TD pointed out that when the implementation of HKeToll in the TSCA on 26 February was announced on 8 February 2023, it had already issued about 360,000 vehicle tags. As at 31 July, 800,000 vehicle tags were in issue, covering over 97% of all licensed vehicles in Hong Kong.

Performance Pledges and Arrangements of HKeToll Customer Service Hotline

13. According to the service agreement between TD and the TSP, the TSP should answer 80% of the calls received by the Hotline within 12 seconds, and the rate of abandoned calls should be less than 10% per month. As regards the handling of enquiries and complaints, the TSP should acknowledge receipt of a case to the enquirer/complainant within two working days and issue a substantive reply within 10 working days; if the above time frame cannot be met, the TSP should issue an interim reply within 10 working days and a substantive reply within 20 working days.

14. TD pointed out that the HKeToll would be implemented by phase in all Government tolled tunnels and the TSCA. At that time, the TSP expected that vehicle owners would apply for vehicle tags according to their own needs at different stages. Hence, during the initial period of the HKeToll implementation in February 2023, the TSP arranged a daily average of about 30 staff members to handle public enquiries about the HKeToll, including answering calls and email.

15. However, upon the announcement of the implementation of HKeToll, the Hotline centre received a lot of enquiries about how to apply for vehicle tags through the website or mobile application. As a result, it took longer time for the staff to explain. Upon identifying the insufficient service of the Hotline centre, TD immediately requested the TSP to strengthen the operation of the Hotline centre and enhance the customer service. The TSP also immediately upgraded the telephone network of the Hotline centre and increased its staff to process a maximum of 90 lines.

16. TD would review the reports submitted periodically by the TSP to monitor whether its service is on par with the standards stipulated under the service agreement.

Loss of Vehicle Tags in Post

17. TD said that before accepting vehicle owners to make applications on the HKeToll website or mobile application and issuing vehicle tags, TD and the TSP had conducted a series of testing (including 27 hands-on tests) on the interface functions between the computer systems of TD and HKeToll (such as verification of vehicle owners, transmission of address data, and updating of vehicle owner particulars) in accordance with the guidelines of the Office of the Government Chief Information

Officer. During the testing process, the HKeToll system was able to receive normally the test data transmitted from TD's computer system without any glitches.

18. On 6 January 2023, TD announced at a press conference that vehicle tags would be issued to the vehicle owners who had made pre-applications. The TSP mailed vehicle tags to the applicants at the addresses recorded in the HKeToll system.

19. However, a few days later, the TSP started to receive some undeliverable vehicle tags returned by the post. TD immediately requested the TSP to investigate and follow up on the matter, and assess the number of mail items affected. On 10 January, the TSP consolidated the problematic addresses at that time and found that about 16,000 out of 260,000 mail items could not be delivered to the applicants due to incorrect or incomplete addresses.

20. TD requested the TSP to conduct an in-depth investigation immediately. After checking, the TSP found programming errors in the interface between the computer systems of TD and HKeToll, resulting in incomplete transmission of some addresses from the former to the latter. Hence, the above mail items were incorrectly addressed and undelivered.

21. The TSP also thoroughly reviewed and checked the records of the two computer systems regarding the personal particulars and postal addresses of vehicle owners to whom vehicle tags had been mailed. It found about 2,000 addresses that did not match. In other words, about 18,000 vehicle tags were undelivered or mailed to wrong addresses due to programming errors.

22. On 29 January 2023, the TSP updated and rectified the computer programmes. From 13 February onwards, it started to re-issue vehicle tags to affected vehicle owners who had not yet re-applied for vehicle tags.

The Complainant's Application for Vehicle Tag

23. According to TD's records, the complainant made a pre-application for vehicle tag on 3 December 2021 and 30 December 2022 respectively when he applied to TD for renewal of vehicle licence. When the TSP printed the vehicle tag on 18 December 2022, the complainant's address it obtained was incorrect due to the above-mentioned interface errors between the computer systems of TD and HKeToll. Hence, the vehicle tag was not delivered to the complainant.

24. On 17 January 2023, TD received the complainant's case referred by 1823 about not receiving the vehicle tag. The complainant also complained against the Hotline staff who advised him to re-apply for the vehicle tag in person at a customer service centre.

25. On 7 February, the complainant re-applied for the vehicle tag in person at a HKeToll customer service centre.

TD's Response to the Complainant's Allegations and Overall Comments

Regarding the Loss of Vehicle Tag in Post

26. TD explained that this case was one of those affected by the interface errors between the computer systems (see **paragraphs 19 and 20**). TD has taken improvement measures, including requesting the TSP to step up internal and hands-on testing to ensure that the programme operates properly before launching it for use, and to step up checks on the completeness of addresses before sending out. TD has also deployed staff to review other information of vehicle owners (such as e-contact means, vehicle particulars, etc.), and regularly match the data obtained by the HKeToll system with the data of its computerised licensing system to ensure correct transmission of data. The mail to be sent out by the TSP is checked randomly to catch any errors in the particulars of recipients.

27. TD said that between March and May 2023, it arranged a total of ten random checks on the mail of vehicle tags prepared by the TSP, verifying the information with that in TD's computer system. Except for individual cases in which the vehicle owners have updated their addresses with TD shortly after applying for vehicle tags, all the postal addresses were correct and correct transmission of postal addresses to the HKeToll system was confirmed.

Regarding the Handling of Enquiries/Complaints about Loss of Vehicle Tags by the Hotline

28. The complainant was dissatisfied with the Hotline for advising him to apply for the vehicle tag in person at a service outlet. In this regard, TD explained that at the early stage of processing the applications, the TSP had advised applicants to re-apply for vehicle tags in person at customer service centres to avoid losing the vehicle tags in the post again and ensure successful delivery to the applicants.

29. TD considered that after verifying the addresses of applicants, the TSP should re-issue the vehicle tags at their correct addresses instead of requiring them to go to customer service centres in person to complete the application procedures. As such, TD has reviewed and drawn up a new workflow with the TSP, under which the TSP is required to proactively re-issue vehicle tags to vehicle owners. TD has also requested the TSP to enhance the training of frontline staff to ensure that when replying to complaints, they should first check the information carefully and offer proper assistance. TD and the TSP apologised for the inconvenience caused to the complainant.

30. To further expedite the handling of cases in which vehicle owners have not received the vehicle tags due to postal problems, TD and the TSP have drawn up the procedures for handling various problems related to postal addresses for the TSP's frontline staff to handle such cases accordingly. TD would also regularly review the reports submitted by the TSP to monitor the progress of issuing vehicle tags and case

handling. A new e-form for vehicle tag enquiry and a WhatsApp enquiry channel have also been added on the HKeToll website for the convenience of applicants to enquire about the postal status of vehicle tags.

Regarding the Schedule and Arrangements for Implementing HKeToll

31. To promote the HKeToll, since November 2021, TD has set up service counters at its four Licensing Offices to publicise the HKeToll service and give details of the vehicle tag application to vehicle owners or applicants for issue/renewal of licences. At the same time, TD has also publicised the HKeToll implementation through various channels¹ and appealed to vehicle owners and the transport trade to complete their applications as early as possible.

32. On 6 January 2023, TD announced the upcoming implementation of HKeToll and publicised the details of the vehicle tag application, and appealed to the public to seize the time to download the mobile application and submit applications. TD reckoned that even if vehicle owners applied for the vehicle tags in January 2023, there would still be about one month or so before the implementation date. Since it only takes about five working days for the TSP to complete the processing of applications, and the installation of vehicle tags only takes a few minutes, TD considered the public to have sufficient time to submit applications and understand the operation of HKeToll.

33. TD added that even if vehicle owners do not use vehicle tags, the Automatic Number Plate Recognition technology of HKeToll can still detect the vehicles passing through tolled tunnels. The TSP will send toll payment notifications to vehicle owners by the e-contact means they have registered with TD. Upon receipt of notifications, vehicle owners can pay the tolls within 14 days through various channels². In addition, the number of vehicle tags issued by then had already exceeded six times of the traffic flow through the TSCA (about 60,000 vehicle trips per day), and vehicle owners could opt for alternative routes that did not require the use of vehicle tags. Based on the above factors, TD considered it not necessary to wait until the receipt of vehicle tags by all vehicle owners in Hong Kong before implementing the HKeToll. The Department decided to announce on 8 February 2023 the implementation of HKeToll in the TSCA on 26 February.

34. However, after the announcement, many vehicle owners applied for vehicle tags at the same time and the TSP was unable to respond in time. TD considered the incident to have reflected that no matter how early TD had announced the implementation of HKeToll and stepped up publicity, vehicle owners would not take action to apply for vehicle tags unless they were given a specific date. Eventually, TD announced to defer the implementation date of HKeToll to 7 May to allow more time

¹ Including by means of press releases, TD's website, radio channels, television channels, social media, display of posters/banners at various locations (such as tunnels/Government carparks, Enquiry Centres of the Home Affairs Department, etc.), distribution of flyers, promotional videos, and meetings with representatives of the transport trade.

² Such as through the HKeToll website or mobile application, in person at convenience stores or the HKeToll service centres.

for vehicle owners to apply for vehicle tags in an orderly manner.

35. In the light of the implementation of HKeToll, TD has also taken a number of improvement measures, including streamlining the online application procedures for vehicle tags, *inter alia*, by removing the requirement for submission of a copy of vehicle registration document, and providing more instructions during the application process to help vehicle owners submit their applications. TD has also issued letters to some 800,000 vehicle owners in Hong Kong informing them of the e-contact means they have registered with TD, so as to facilitate their identity verification during the application process. TD has produced relevant guides, tutorial videos and a Startup Guide to explain to vehicle owners the entire application process, operation and points to note. Moreover, TD has strengthened the support for vehicle owners who are not familiar with online application, including setting up consultation counters at 25 MTR stations throughout Hong Kong and nine Enquiry Centres of the Home Affairs Department in the New Territories to help vehicle owners submit their applications, as well as increasing the manpower of the Hotline to answer public enquiries (see **paragraph 15**).

36. Overall, TD remarked that the HKeToll is an important initiative in the Smart City Blueprint, and its successful implementation requires the participation and cooperation of vehicle owners. As the HKeToll is a brand-new system, there will be room for optimisation at the initial stage of its operation despite the various system and field testing conducted by TD with relevant departments and the TSP, and it takes time for members of the public to adapt to the use of the new system. TD undertook to keep monitoring the usage of the HKeToll and improving its operation with continuous adjustments and enhancements.

Our Comments

37. TD has given an account of the HKeToll implementation and its response to the complaint regarding the loss of the complainant's vehicle tag in the post and the impropriety of the Hotline in handling his complaint. TD explained that the vehicle tag was lost in the post due to the malfunctioning interface between the computer systems of TD and the TSP (see **paragraph 20**). The problem had gone undetected despite the numerous system tests conducted by TD with the TSP (see **paragraph 17**).

38. This Office understands that it was difficult for TD to ensure that the system was absolutely accurate in actual implementation, even if numerous tests have been conducted beforehand. Nevertheless, the above problem occurred shortly after TD's announcement of mailing out the vehicle tags, and barely a month before its expected date of implementing the HKeToll. Affected vehicle owners (including the complainant) who had not received their vehicle tags after prolonged waiting were worried that they might not receive and install the vehicle tags in time before the implementation date. When they called the Hotline for enquiries or complaints, they were asked to re-apply for a vehicle tag in person at customer service centres. Although the TSP explained that it was to avoid losing the vehicle tags in the post again (see **paragraph 28**), such practice undoubtedly caused inconvenience to the affected

vehicle owners and smacked of shirking responsibility. All these inevitably gave rise to a perception that TD was too hasty and poorly organised in implementing the HKeToll.

39. As pointed out by TD, after confirming the correct addresses with the applicants, the TSP should have taken the initiative to re-send the vehicle tags instead of asking the applicants to go to customer service centres in person to complete the application procedures. This Office considers it unsatisfactory for TD to have not discussed with the TSP and drawn up proper follow-up and remedial arrangements immediately after the postal problems occurred. Fortunately, TD has taken improvement measures with the TSP subsequently (see **paragraph 29**) and apologised to the complainant in this regard. This Office urges TD to maintain close communication with the TSP and continue to monitor its performance to ensure that it handles issues about the HKeToll properly.

40. On the other hand, this Office notes that TD started accepting vehicle tag applications from vehicle owners as early as November 2021, but the TSP only started processing the applications in December 2022 and gradually issued the vehicle tags upon TD's announcement on 6 January 2023 of the impending implementation of HKeToll in February 2023. TD explained that it had issued vehicle tags and announced the implementation of HKeToll within around one month, such that vehicle owners could complete opening HKeToll accounts in one go and as soon as possible upon receipt of the vehicle tag, but not forgetting to do so in the prolonged interim (see **paragraph 11**).

41. Nevertheless, instead of achieving the expected results, TD's arrangement had caused a sudden surge in vehicle tag applications and enquiries about how to use the vehicle tags from many vehicle owners, which exceeded the capacity of the TSP's manpower (see **paragraph 15**); the loss of vehicle tags in the post caused by programming errors added to the confusion. Eventually, TD had to defer the implementation date of HKeToll to early May 2023. The incident reflected that TD's original plan seemed to be over-optimistic. As concluded by TD after review, no matter how extensive publicity was carried out for vehicle owners and the transport trade in advance (see **paragraph 31**), they would need a specific implementation date before taking actions to apply for vehicle tags (see **paragraph 34**), or even to understand the new system. Although TD has taken the precaution to schedule the first phase of implementation in the TSCA, which has a lower traffic flow, there are inadequacies on the part of TD for not having foreseen the queries about the details of applying for and using the vehicle tags from vehicle owners and the transport trade, nor has it arranged for more explanation and manpower to answer the enquiries in time. Its implementation schedule also has not allowed for a buffer against unforeseen events such as the loss of a vast number of vehicle tags in the post.

42. Manual toll booths and Autotoll system have been in use for years. As these payment methods are to be completely replaced by the HKeToll, a new free-flow payment system introduced by TD, vehicle owners and the transport trade need to

understand the new system and change behavioural habits that they had been used to for years. This Office notes that TD launched publicity back in November 2021 (see **paragraph 31**). In hindsight, TD has not realised that it might be difficult for the public to take necessary action without a specific implementation date, nor has it allowed for a buffer against unforeseen problems in the implementation schedule. We urge TD to learn from this case. It should set a reasonable schedule for implementing any new transport schemes/measures in future, and announce the implementation date and details of the new schemes/measures as soon as possible, so as to give the public and the stakeholders sufficient time for preparation and response.

Conclusion

43. Based on the analysis above, The Ombudsman considers the complaint against TD **substantiated**.

**Office of The Ombudsman
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