

The total amount of the fine imposed by the GVH for price fixing, market sharing and exchange of business information on the estate agent sector has been reduced as a result of successful settlement negotiations

According to the decision of the Gazdasági Versenyhivatal (Hungarian Competition Authority – GVH), Duna House Holding Nyrt. (DHH), Otthon Centrum Holding Kft. (OCH), Duna House Franchise Szolgáltató Kft. (DHF) and Otthon Centrum Franchising Tanácsadó Kft. (OCF) and 9 others had concerted their pricing policies and exchanged confidential business information in the framework of their cross-selling cooperation. The GVH considered the determination of the minimum commission rates and the allocation of areas of operation for members of the franchise network by DHF and OCH to infringe the law. The total amount of the fine imposed for these infringements was 75,68m HUF (cca 245,000 EUR).

In the course of its investigation, the GVH found that the two networks (those of DHF and OCF) had entered into agreements between April 2013 and June 2014 about

- a. sharing their stock of the real estates to be sold under exclusive commission –thereby significantly increasing the two networks’ incomes and strengthening their market positions;
- b. the commission fees (in fixed amount and in percentage) on the territory covered by the cooperation;
- c. determining the minimum amount and percentage of the commission payable on the seller side, and the amount of discount to be granted under cross-selling cooperations;
- d. the exchange of certain sensitive business information – e. g. data on some of the sales processes and the stock of commissions of DHF and OCF.

In its decision, the GVH stated that the contracts concluded between DHF and the members of its network of real estate agents, as well as between OCF and members of its network of real estate agents - either through the stipulation of prohibitions or the application of sanctions – had hindered the free determination of prices by the franchisees and prohibited the acceptance of commissions on the territory of other franchisees, between 2003 and 2015 in the case of DHF and between 2004 and 2015 in the case of OCF.

When calculating the amount of the fine, the GVH took into account as relevant turnover the prorated amount of fees (according to time) that was collected through the operation of such a franchise-system.

The GVH also considered the fact that the undertakings are currently significant market participants, although they had small market share at the beginning of the infringement.

In the case in question the GVH invited the undertakings to indicate whether they were interested in engaging in a settlement procedure, in order to enable the proceeding to be concluded in a swift and effective manner. The undertakings presented their settlement submissions, in which, among other things, they voluntarily admitted the infringement; therefore the GVH reduced the fine imposed by 30% – based on the new rules of the Hungarian Competition Act applicable for settlements after 16 December 2016.