

The case of OTP is closed by the acceptance of commitments - consumers will be reimbursed almost 20 million HUF by the financial institution

The Gazdasági Versenyhivatal (GVH, Hungarian Competition Authority) accepted the commitments of OTP Bank Nyrt., which include an obligation to pay compensation to its consumers and the elaboration of a communication campaign for educational purposes. The GVH did not establish an infringement in the case and therefore did not impose a fine.

The GVH investigated whether the undertaking – from 1 January 2012 to 18 December 2013 – provided appropriate information about the possibilities of interest-free reimbursement related to the use of its credit cards, paying particular attention to interest calculation applicable until 20 June 2016, on the basis of which in the case of reimbursements made after the grace period interest must be paid even after purchases made in the next accounting period.

Although the undertaking did not agree with the position of the GVH, it submitted a complex commitment consisting of several elements. After a detailed examination of the content of the commitment statement, the GVH considered that the protection of the public interest could be effectively ensured by the acceptance of the commitments.

The GVH imposed the following obligations on the undertaking on the basis of the submitted commitments:

- the undertaking shall reimburse approximately 11 thousand concerned consumers a total amount of more than 19 million HUF – charged due to the practice of the interest calculation – furthermore, the repayment shall not place any expense or any other obligation or engagement on consumers, and the undertaking must inform consumers of the reason and circumstances of the reimbursement;
- the undertaking shall launch a campaign for educational purposes lasting a minimum of four weeks and primarily consisting of television and online appearances (mini programme on television, online advertising, YouTube videos and website), aimed at improving the financial culture, consumer awareness and responsible decision making, as well as drawing the attention of different consumer groups to the main information regarding credit cards (e.g. accounting period, grace period, as well as the repayment opportunities);
- in the above-mentioned information channels the undertaking shall promote an educational website that is available for a minimum of two years aimed at different consumer target groups (students, young people, elder persons) on the topic of credit card use, and enabling access to bank neutral information.

The GVH considered, as a circumstance in favour of the acceptance of the OTP's commitments, the following:

- the undertaking had already submitted its statement of commitment in the course of the investigation phase of the competition supervision proceeding, thereby enabling a significant amount of time and resources to be saved;
- even before the termination of the main proceeding (No. [Vj/44/2013](#)) OTP had already modified its commercial practice, and since then it has also changed its method of interest calculation in a manner that is more favourable for consumers;
- the commitments of OTP were also comprised of compensational and educational elements;
- the GVH had not established any relevant infringement of OTP regarding the 5 years preceding the decision of the GVH that might be relevant for the competition supervision proceeding;
- the commitments meet the requirements of monitoring.

When deciding on a commitment statement the primary purpose of the GVH is to ensure the effective protection of the public interest. Through the acceptance of commitments it is possible to more effectively ensure that the undertaking in question brings its practice into line with the applicable legal provisions; and at the same time the decision provides guidance to other market participants. When making its decision, the GVH assesses the circumstances for and against accepting the commitments, taking into account the specificities of the relevant market.

Case number: **Vj/16/2017.**

Budapest, 5 March 2018

Gazdasági Versenyhivatal

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