



## **The competition supervision procedure initiated against PayPal has ended with the acceptance of commitments**

**The Gazdasági Versenyhivatal (the Hungarian Competition Authority, GVH) accepted the commitments of the online payment method provider, PayPal. On the basis of the commitments, the undertaking is obliged to change the information that it provides to its consumers. In this way consumers will be able to decide more easily about the exchange rates applied to their payments requiring conversion. Having regard to the commitments, the GVH did not establish any infringement in the case and therefore did not impose a fine on the undertaking.**

The GVH initiated a proceeding in 2017 March against PayPal (Europe) S.á.r.l. et Cie, S.C.A. because it was likely that the information provided by the payment service provider was both outdated and incomplete regarding the exchange rates applied to payments requiring conversion. The information provided was also inadequate as regards to the options to modify the exchange rates. Consequently, the GVH considered the information of the undertaking to be misleading to consumers.

PayPal carries out conversions for its consumers at its own exchange rates, however, consumers may also choose to convert their payments at the bank rates applied by their card-issuing banks. Since the exchange rates applied by certain service providers are different, the decision of the user can lead to different purchase prices, which means that it is important that proper and timely information is provided to consumers when they are using such services.

PayPal simplified the operation of its website during the procedure, and undertook to change the information provided to Hungarian users at the time of purchase within 4 months. Consequently, the undertaking will display the exchange option of the card issuer with its own exchange rate. If a consumer decides to use the exchange rate applied by his/her card-issuing bank the undertaking shall advise the consumer to check their bank notification. Furthermore, PayPal undertook to make the contracts it concludes with consumers more transparent.

When making its decision the GVH considered it a significant factor that the commitments of the undertaking directly promote efficient competition, specifically as regards to the ability to choose and change service providers. The GVH shall monitor the fulfilment of the commitments in the framework of a post commitment investigation.

Case number: **VJ/18/2017.**

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Hungarian Competition Authority

**Information for the press:**

[sajto@gvh.hu](mailto:sajto@gvh.hu)

<http://www.gvh.hu>

**Further information:**

GVH Customer Service

Tel: (+36-1) 472-8851

E-mail: [ugyfelszolgalat@gvh.hu](mailto:ugyfelszolgalat@gvh.hu)

<http://www.gvh.hu>