

## **Fictitious promotions, final sale lasting almost 2 years - carpet retailers fined by GVH**

**4 May 2023, Budapest - The Hungarian Competition Authority (GVH) has imposed a HUF 25 million fine on an undertaking for advertising its Oriental carpets in a way that misled consumers in a number of ways. Among other things, the Szőnyeg galéria Kft. has been continuously offering final sales for 21 months - almost throughout its existence.**

The [procedure of the Hungarian Competition Authority](#) found that Szőnyeg galéria Kft., an undertaking selling hand-knotted Oriental carpets, which previously operated a shop and webshop in Budapest, had advertised its products in a misleading manner, including on major commercial television channels and national radio stations.

The investigation found that the undertaking had engaged in unfair commercial practices towards consumers in a number of different ways. The shop could not adequately substantiate its claims about its market leadership or the abundance of its product range (e.g. *"We have more than 30,000 Oriental and Persian rugs"*) - nor that the original prices of some of its "special discounts" had ever actually been applied. The undertaking also falsely claimed that it would cease trading (so that its products and promotions would not be available later), as its business conduct contradicted this: it continued trading from the announcement of the final sale in September 2020 until May 2022, while also making significant restocking. Messages urging consumers to take advantage of limited promotions (e.g. *"It's now or never!" "Guaranteed unique opportunity!"*), which were coupled with countdowns in TV ads, were also found to be unlawful. In fact, the promised discounts were still available after the indicated dates, and sometimes even greater promotions were announced.

In its assessment of the infringement, the GVH's Competition Council considered, inter alia, that the carpet retailer had spent significant amounts on unfair advertising, which covered essentially the entire period of its selling activities. However, the competition authority also considered the cooperation of the company. Although the retailer did not admit the infringements, it did not contest the authority's position and voluntarily waived its right to appeal. On this basis, the GVH imposed a fine of HUF 25 million on Szőnyeg galéria Kft.

Official registration number of the case: **VJ/13/2022.**

### **GVH Public Service Communications and International Section**

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