

The GVH accepted the commitment of Festipay to modify its tipping system

The Hungarian Competition Authority (GVH) accepted the commitment of Festipay Készpénzmentes Fizetési Szolgáltatások Zrt. (Festipay), according to which it has undertaken to allow consumers to decide in the future, without unfair influence, whether they wish to give tips for payment transactions carried out by the company and, if so, the extent of such tips.

Festipay provides cashless payment services at a number of Hungarian festivals, events and venues attended by a large number of people. At such events the undertaking offers, on the basis of the needs of its partners, a cashless tipping option. When providing this service, it offers five different tipping rates presented in percentage terms to consumers, typically highlighting the 10% rate. Although consumers must explicitly accept these settings (if they agree with them), the visual representation and the environmental context (noise, crowd, queue, quick payment transaction) may lead consumers to believe that they are expected to give a tip at the highlighted 10% rate, given the psychological pressure exerted on them due to the commercial practice in question.

As a result of the proceeding initiated by the GVH, Festipay has undertaken to modify its tipping system so that it does not contain, in the future, any expectation as to the giving of a tip or as to the amount of a tip. Festipay has also undertaken to inform consumers about this change on the payment screen and through other means of communication at the point of sale. Furthermore, Festipay will also draw its partners' attention to the need to implement practices that comply with the legislation in force.

Official registration number of the case: **VJ/37/2018.**

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Hungarian Competition Authority

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