

Competition Authority imposes a HUF 50 Million fine for ads influencing children

The Hungarian Competition Authority (GVH) found that the marketing campaign of vitamin chewable tablet called 'Maslakócskák' infringed the law because it contained a direct exhortation to children to buy the advertised product.

The GVH revealed that the Youtube and television advertisements of Walmark Kereskedelmi és Szolgáltató Kft.'s product packaged with children's toys unfairly encouraged children to buy the vitamins. According to consumer protection law it is prohibited to directly encourage children to buy advertised products or to persuade their parents or other adults to buy advertised products for them.

The GVH imposed a fine of HUF 50 million on the undertaking for the infringement. When determining the fine, the competition authority took into account, inter alia, that the undertaking had acknowledged the infringement and that it had undertaken to introduce a corporate compliance programme to prevent future infringements and prove its implementation to the competition authority.

The Hungarian Competition Authority significantly reduces the amount of the fine to be imposed on an undertaking if the latter admits its infringement, provides active redress for consumers or develops a compliance programme. In light of the undertaking's acknowledgment of the infringement, compliance efforts already made and future planned efforts, the fine eventually imposed in the case was nearly half the amount of what would have been imposed without the fine reduction.

Last year the GVH <u>initiated proceedings against three companies at the same time</u>, during which it investigated the promotion of gift-packed vitamin preparations for children. The authority has already closed two of the investigations: it found the commercial practices of both <u>Béres</u> <u>Gyógyszergyár</u> and <u>Bayer Hungária Kft</u>, to be infringing and imposed fines on the undertakings.

Official registration number of the case: VJ/7/2019.

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