

Significant competition authority fine for an undertaking taking unfair advantage of the pandemic

28 September 2021, Budapest – The competition authority proceeding found that the television programmes of Ékszer TV selling protective equipment against the pandemic (masks, hand sanitiser, vitamins) had infringed the law. The competition authority imposed a fine of HUF 85 million on the undertaking.

The Hungarian Competition Authority (GVH) concluded its investigation conducted against Ékszer TV due to its <u>television programmes selling products related</u> to the COVID-19 pandemic. The programmes sold protective equipment against the virus (hand sanitising gel, respiratory mask, and immune-boosting multivitamin) on national television channels during the first wave of the pandemic in the spring of 2020.

The GVH concluded that the discounts presented on the programme were untruthful. A hand sanitiser package advertised on the programme started at an 'original' price of HUF 60 thousand; however, the proceeding revealed that the starting prices were fictitious; the undertaking had previously never applied them.

Urging the viewers of the programme to act was also proven to have infringed the law. Among other factors, the consumers were being urged to make a purchase as soon as possible by a countdown clock and the constant reiteration of the limited stock and shortage of the products (e.g. 'This item is out of stock everywhere in Europe; we are struggling with the impossible. ... Unfortunately, we are out of stock and it will most likely not be available in the upcoming period'). However, the investigation revealed that procuring the products did not pose any difficulties or incur additional costs for the undertaking; therefore, it was able to offer them on its programme under the same conditions for several months, in spite of the constant advertising messages threatening with shortages.

The GVH imposed a fine of HUF 85 million on the operator of the programme, Emporia Style Kft, for the infringements. The decision took into account the fact that during the first wave of the pandemic, consumers were willing to purchase higher volumes of protective equipment against the virus, even for significantly higher prices than before. Therefore, viewers were vulnerable to the messages concerning the stocks and availability of these products, becoming especially responsive to such advertisements.

The decision of the Authority simultaneously terminated the proceedings against the broadcaster of these programmes, ATV, and an advertising agency involved in the case, among others, in the absence of a direct impact on the infringing advertisements.

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The official registration number of the case is: VJ/14/2020.

GVH Press Office