

The GVH fined the undertaking giving out the ‘Product of the Year’ award

28 October 2021, Budapest – The Hungarian Competition Authority (GVH) imposed a fine of HUF 3 million on the undertaking, that previously granted the ‘Product of the Year’ award, for failing to fully comply with its own commitments.

Last year, the GVH [concluded its investigation](#) against the Product of the Year Hungary Kft., which had previously issued the ‘*Product of the Year Award - Based on consumer choice*’ certificates. The competition supervision proceedings ended with the undertaking’s commitments in February 2020: the Competition Council of the Authority did not find any infringement, instead, it required the undertaking to comply with the multi-element set of commitments, which it had proposed voluntarily, in order to properly clarify the content of the award, which has been ambiguous for consumers.

Upon the expiry of the deadline for the commitments, the GVH conducted a follow-up investigation to monitor the fulfillment of commitments, in accordance with the legal requirements. The investigation revealed that the undertaking did not fully comply with the requirements: it fulfilled a significant part of its certification obligations out of time, and some of the commitments to clearly inform consumers have already been incompletely fulfilled in terms of their contents. However, the decision adopted last year did not have to be revoked since overall, the commitment still achieved its primary objective: the Authority found, on the basis of information subsequently submitted during the investigation that the problematic commercial practice has largely changed and the undertaking complied with the majority of its compliance measures.

‘The institution of commitment is a flexible and effective way to remedy competition concerns that arise during investigations conducted by the Authority. However, in order to do so, it is essential that all the elements required for their implementation are complied with accurately and completely, including the provisions on time limits and certification methods, as they together ensure the full protection of public interest.’ reminded us Csaba Balázs RIGÓ, President of the Hungarian Competition Authority.

The Competition Council of the GVH imposed a HUF 3 million competition supervision fine on Product of the Year Hungary Kft. due to incomplete fulfillment of commitments. The decision took into account, inter alia, the fact that the undertaking acknowledged the omission and that the ‘Product of the Year’ award, at the discretion of the foreign right holder of the franchise, is no longer present in the Hungarian market. The GVH also considered the fact that the undertaking was an SME and was adversely affected by the pandemic situation, thus, it provided a payment in instalments to pay the fine.

The official registration number of the case: **VJ/8/2021.**

GVH Press Office