

Influenced Tipping - GVH Investigates HelloPay Again

9 November 2022, Budapest - The Hungarian Competition Authority (GVH) launched an investigation against the payment terminal operator HelloPay, as, despite previous competition authority fines, it is likely to exert unfair pressure on consumers over the rate of "expected" tips again.

The Hungarian Competition Authority launched proceedings against HelloPay Zrt., which supplies a cashless payment system for a number of festivals, events and catering facilities. The GVH suspects the company of engaging in unfair practices in the tip selection process at the terminals, forcing consumers to make additional decisions.

At the end of 2019, the GVH [already fined the operator](#) once for the 10% tip and donation rate used as the default setting. In fact, the way of operation of the terminal operated severely restricted consumer choice, especially in the payment conditions (time pressure, noise, crowds, etc.) typical of festivals and catering facilities. As a result of the procedure, the authority imposed a fine of HUF 20 million on the undertaking and banned it from continuing the infringement.

At the end of 2021, the GVH investigated whether the undertaking had complied with the prohibition obligation and found that, although it had modified its previous system, it still continued to suggest an "expected" 10% rate, interfering with consumers' decision-making. The GVH' Competition Council [then imposed a fine of HUF 6 million on the undertaking](#) for continuing the unfair practice despite the prohibition by the Hungarian Competition Authority.

In the recently launched proceedings, the GVH investigates repeatedly the fairness of the tipping selection process for card payments on HelloPay terminals. Especially given the typical timing, location and nature of terminal use, the service provider is likely to unlawfully urge consumers to make decisions beyond their initial transactional decision (e.g. purchase of food, drinks, gifts). The visual design of the system, the font size and the predefined information (e.g. "*Please set the tip rate: 0-20%*") may prevent consumers from making independent and uninfluenced decisions.

The opening of competition proceedings does not mean that the undertaking has committed the infringement. The proceedings are aimed to clarify the facts and thereby prove the alleged infringement. The time allowed for the procedure is three months, which may be extended twice, in duly justified cases, for a maximum of two months each time.

Official registration number of the case: **VJ/45/2022.**

Press Office of the GVH