

The GVH also protects the Hungarian consumers by enforcing the price indication rules

Budapest, 19 July 2023 - The Hungarian Competition Authority has launched three simultaneous investigations against major players in the domestic online clothing and footwear trade. All three companies - CCC, Answear and About You - are suspected of misleading customers by displaying their special prices.

The Hungarian Competition Authority (Gazdasági Versenyhivatal - GVH) has opened an investigation against the Hungarian, Polish and German operators of three major Hungarian clothing and footwear retailers - CCC, Answear and About You - for allegedly displaying the prices of their products advertised as promotions in an unlawful way. In some cases, the companies display several different original/previous prices at the same time, in an inconsistent and confusing manner, preventing consumers from determining the real extent of the discount and making informed decisions. Moreover, About You is likely to post urgent information on product availability throughout the purchase process, which may also constitute an infringement.

Real and clear information on the extent of (or the basis for) promotions and discounts is essential for consumers, as it allows them to compare product prices accurately. Since May last year, as part of an EU-wide legislative package to protect consumers, domestic traders have also had to [display prices according to clearer rules](#) to enable consumers to make an informed choice when considering promotional offers. Prior to the rule changes, the GVH assisted businesses in a number of ways, including a detailed [information video](#), with practical examples of legitimate and avoidable practices.

Why is clear price indication important?

In the view of the Hungarian Competition Authority, this is because some traders use a few deceptive tricks to give the impression of a discount, according to consumers and the GVH's experience. This leads to easy profits that they have not actually worked for under real competitive conditions. The extra profit built into prices and thus earned also drives inflation. From 28 May 2022, stricter provisions on unfair commercial practices have also been introduced in Hungary. In terms of price indication, traders must make it clear to consumers what the lowest price was for at least 30 days prior to the promotion and what the discounted price is compared to that price. Traders who deliberately or unknowingly engage in unfair practices can use several tricks. These include mark-ups, displaying a higher price than that offered by the manufacturer, or a fictitious "original" price that is higher than the promotional price but never applied. It is also common to manipulate consumers by offering a plethora of prices to distract them and confuse their transactional decisions. For example, an original price, a discounted price, a promotional price, a discount coupon price are all displayed at the same

time, but in fact the lowest price applied in the 30 days or more preceding the promotion is concealed.

The initiation of competition proceedings does not mean that the undertakings have breached the law. These proceedings are aimed at clarifying the facts and thereby proving the alleged infringements. The time allowed for the proceedings is three months, which may be extended twice, each time for a maximum of two months, where justified.

The case reference numbers are: **VJ/15/2023., VJ/17/2023., VJ/18/2023.**

GVH Public Service Communications and International Section

Further information:

Bálint Horváth, Head of Communication +36 20 238 6939

Katalin Gondolovics, Spokesperson +36 30 603 1170