



Netrisk fined for deceptive advertising

The Gazdasági Versenyhivatal (GVH – the Hungarian Competition Authority) in its decision imposed a 50 000 000 HUF (approx 170 000 EUR) fine on Netrisk.hu Első Online Biztosítási Alkusz Zrt. (Netrisk) for engaging in unfair market behaviour during its third party automobile insurance promotion campaign.

Between 1 and 30 November 2012, during the promotion of its third party automobile insurance services the undertaking claimed that the cost of changing insurance companies would be much higher the following year, but it did not provide any evidence to prove this statement. According to the GVH's findings such a categorical statement about future prices cannot be made, as it can never be ruled out on a competitive market that a rival or a new undertaking on the market will offer prices which are below the prices of its competitors.

The undertaking also brought to consumers attention that “truly good offers” and “truly cheap third-party insurances” could be found on the Netrisk.hu webpage. In the GVH's opinion both of these statements carried the message that Netrisk had better offers than its competitors. Consequently, these messages amounted to market primacy statements. The undertaking also failed to prove the grounds on which these statements were based. Netrisk stated in its advertisements that every insurance offer was available on its webpage but they were not even legally allowed to display all offers of the Hungarian insurance market. This means that their statement about the lowest prices was also not well founded as consumers may have obtained higher discounts by taking advantage of offers which were not available through Netrisk.

The GVH determined that during its third-party automobile insurance promotion campaign Netrisk.hu Első Online Biztosítási Alkusz Zrt. had misled consumers and therefore imposed a fine of 50 000 000 HUF (approx 170 000 EUR). During the determination of the amount of the fine the GVH regarded as aggravating factors that due to the intense promotion Netrisk reached a broad range of consumers, and that the undertaking had previously been sentenced for a similar infringement.

Case number: **Vj-75/2013.**

Budapest, 22 July 2014

Hungarian Competition Authority

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