

Some elements of Ryanair's ticket sales system violate competition law

The Gazdasági Versenyhivatal (GVH – Hungarian Competition Authority) established that Ryanair Ltd. (Ryanair) displayed misleading information on its Hungarian language website, since the information it provided about its Dynamic Currency Conversion System was incomplete and the information provided about the exchange rate it applied was misleading. As a consequence, the GVH imposed a fine of 50,000,000 HUF (approx. EUR 158,700).

When assessing the two interrelated practices the GVH considered whether on the one hand consumers received appropriate information about the possible exchange rates available to them (applied by their respective banks and Ryanair), and on the other hand whether the information supplied by Ryanair was correct.

According to the decision of the GVH, between February 2012 and October 2015 in its ticket reservation system (in the cases when the currency of the country of departure differed from the currency of the payment card used in the course of booking) Ryanair

- did not appropriately inform consumers that they could opt out of the default exchange services provided and instead choose the exchange rates applied by their respective banks instead of Ryanair's Dynamic Currency Conversion System, since it inadequately drew this possibility to the attention of consumers only at the end of the booking process, subsequent to the provision of the data of the payment card, with the result that the system of Ryanair was applied as the default setting;
- misled consumers by falsely suggesting that they would be "better off" if they opted for Ryanair's service than if they used their respective banks.

In determining the **fine** imposed on Ryanair the GVH took into consideration the sales revenue (3 per cent thereof) of the undertaking achieved in Hungary (affected by currency fluctuations).

As **aggravating circumstances**, GVH assessed amongst others that

- the infringing commercial practice may have reached a large number of customers due to the long period of time that it was in operation;
- Ryanair has already been convicted twice for infringements of unfair commercial practices in the past five years.

The GVH assessed as **mitigating circumstances** that

- the system operated by Ryanair might be advantageous to a certain group of consumers by clarifying and making the rules of the opt out model and its conditions more straightforward, due to its predictability;

- Ryanair expressed its willingness to cooperate on the basis of the content of its declaration of commitments. The undertaking took voluntary efforts to partly implement the commitments presented and adopted certain progressive measures, however, not directly linked to the infringement as well as changed the surface of the booking system;
- Ryanair significantly modified its infringing conduct to meet the expectations of the GVH.

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Hungarian Competition Authority

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