## Netpincér undertook to modify its contracts signed with restaurants

The Hungarian Competition Authority (Gazdasági Versenyhivatal, hereinafter GVH) accepted the commitments of Viala Kft., which operates Netpincér, an online food delivery platform. According to the assessment of the GVH, the accepted commitments are suitable for resolving the established competition concerns, since they enable restaurants, under certain conditions, to offer lower prices on their own online platforms compared to the prices available on Netpincér. Consequently, the restaurants are discouraged from continuing to offer more favourable conditions on other intermediary platforms. As a result of the commitments, the GVH expects stronger competition on the market of food delivery services, especially as regards to competition between the intermediators. As a result of the GVH accepting the proposed commitments, no competition infringement was established in the case, and therefore no fines were imposed either.

The GVH launched an investigation against the operator of the biggest food delivery platform, as it had presumably been applying competition restrictive clauses in its contracts concluded with restaurants. The undertaking had prescribed that the restaurants were obliged to offer their services under the same conditions (e.g. prices, reductions, delivery conditions) on Netpincér as applied on their own distribution channels (websites, pre-booking/pre-ordering via phone, leaflets). Although the contractual term did not expand to orders delivered through other food delivery platforms (i.e. the competitors of Netpincér), the GVH identified that unique conditions, especially unique prices, were applied on all the distribution channels. Namely, the restaurants were not interested in offering their services at lower prices through other online food delivery platforms compared to the prices offered on their own distribution channels, as they were afraid that this would result in consumers preferring to make food orders through food delivery platforms instead of through their own distribution channels. Orders made through food delivery platforms, as opposed to orders placed directly through the restaurants' sales channels, place a greater financial burden on the restaurants, as the restaurants are required to pay commissions for the food delivery platforms.

In the course of the procedure, in order to remedy competition concerns, Netpincér undertook to modify its contracts signed with the restaurants. Consequently, Netpincér no longer places an obligation on the restaurants to apply unique conditions to non-online channels of placing orders (e.g. pre-ordering via phone) or to unique promotions.

Case number: **Vj/89/2015** 

Budapest, 27 April 2018

**Hungarian Competition Authority** 

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