

Fine of over EUR 5.45 M imposed by the Hungarian Competition Authority on Telenor for its misleading commercial practices

The Hungarian Competition Authority the GVH established that Telenor Hungary Ltd. had committed an infringement for over a year by failing to inform its customers in its advertisements promoting mobile devices for free or at a reduced price that if they chose to obtain a device their subscription fess would be higher than if they chose the same subscription contract without a device. The authority imposed a fine of EUR 5.45 M on the undertaking for its infringement.

The GVH's competition supervision proceeding revealed that the undertaking's communication (in the form of TV ads, fliers, Facebook ads) to customers promoting devices for free or at a reduced price as part of the Telenor Blue tariff package (device and Telenor Blue subscription) constituted unfair commercial practices against customers between 2016 and 2017. It was established that the undertaking had failed to inform customers that if they exercised the option to purchase a device, the amount payable for the subscription would be higher than if they had only concluded a subscription contract with the same contractual terms. Customers had to pay additional costs incurred due to the fact that the device had been advertised for free of charge or for a reduced price; however its price had been partially included in the subscription fee. Consequently, customers were unaware, prior to making their commercial decisions, that if they also purchased a device, a higher subscription fee would be charged for the entire period of 24 months and they would not be able to take advantage of the possibility to purchase a device for a lower price elsewhere for the Telenor subscription.

Imposing the fine, the GVH considered, among others, that the number of affected consumers was quite high, the "message" of the unlawful commercial practice was robust, and the effect of the practice was protracted and significant. Additionally, it took into account the fact that in the last ten years Telenor has committed unfair and unlawful commercial practices against its customers on four occasions.

At the same time, although Telenor had not completely remedied the highlighted competition concerns, it had altered its communication practice in the spirit of cooperation and compliance and the GVH took this into account as a significant mitigating circumstance. Finally, Telenor's development of a compliance programme was also considered to be a further mitigating factor.

The GVH imposed a fine of HUF 1.8 bn (cca EUR 5.45 M) on the undertaking.

The official registration number of the case: **VJ/13/2018.**

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Hungarian Competition Authority

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