

HelloPay 10% tip-slider is found to be unlawful

The Hungarian Competition Authority (Gazdasági Versenyhivatal, GVH) established that HelloPay Zrt. exerted undue psychological pressure on consumers by automatically applying a 10% tip and donation rate at the terminals it provides. Due to the infringement, the GVH obliged the company to pay a fine of HUF 20,000,000 (cca EUR 62,500).

HelloPay terminals have been available to consumers since 2016 and are especially found at festivals, fairs and restaurants. Such terminals automatically add a tip of 10% to the amount payable for a particular service, unless the consumer actively modifies or deletes it by using the ‘tip slider’ that appears before the end of the payment process.

The GVH is of the opinion that the way the terminals operate, namely by automatically displaying an expected tip of 10%, can significantly limit the decision-making process of consumers, especially in connection with payment circumstances at festivals and restaurants (communication difficulties, time pressure, noise, crowd, etc.). The use of such terminals reduces the ability of consumers to independently determine whether they wish to pay a tip, and if so, the amount of the tip.

The GVH prohibited the company from continuing the infringing conduct, with the result that it must modify the information provided at the terminals and after this modification it can no longer set a default tip of 10%.

When imposing a fine the GVH took into account, as an aggravating factor, the fact that the service was novel and that the practice may have affected a wide range of consumers. However, it was considered as a mitigating factor that the company has already taken measures to comprehensively modify the practice under investigation, and that, at certain events it has published additional information on the operation of the terminals. The effectiveness of the adopted measures, however, has yet to be demonstrated.

Case number: **VJ/64/2017**

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Hungarian Competition Authority

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