

## **The GVH placed an obligation on Magyar Posta Zrt. to comply with the commitments offered by the undertaking**

**The proceeding competition council of the Hungarian Competition Authority terminated its competition supervision proceeding and at the same time placed an obligation on Magyar Posta Zrt. to comply with the commitments it had proposed.**

1. The Hungarian Competition Authority initiated a competition supervision proceeding against Magyar Posta Zrt. based on the assumption that the undertaking had not clearly notified consumers that credit card transactions made at post office POS terminals are considered as cash withdrawals and are therefore subject to extra charges that are even higher than regular ATM charges. With this conduct the undertaking had presumably violated Act XLVII of 2008 on the Prohibition of Unfair Commercial Practices against Consumers.
2. The proceeding competition council established that in the investigated period of time there were no explicit internal regulations at Magyar Posta Zrt. on notifying consumers that credit card usage at POS terminals of Magyar Posta Zrt. was considered as cash withdrawal. Complaints, testimonies and also inspections of the undertaking under investigation have shown instances where even no oral notification was given.
3. Based on the evidence given by the undertaking under investigation, it can be assumed that it had internal regulations on the notification of consumers, although not explicitly on cash withdrawals. The absence of an oral notification was mainly the fault of the office clerk. The Competition Council believes that the public interest is best served by the adoption of the measures in this order. In the future consumers should receive proper notification on credit card use in post offices and should be specifically informed that it may come with extra charges. The exact amounts of the charges however do not need to be disclosed, as keeping up-to-date with these would place too much of a burden on post offices. When accepting the declaration of the commitments of Magyar Posta Zrt., the GVH positively took into consideration the fact that no proceedings had been initiated against Magyar Posta in the last 5 years, and that it had cooperated during the proceeding.
4. In its decision the proceeding competition council placed an obligation on Magyar Posta Zrt. to comply with the following commitments that were offered by the undertaking:
  - a) A written notice will be posted in a way that attracts attention at each postal clerk workplace with a POS terminal, with the following contents: “Honoured Clients! We hereby inform you that credit card transactions through the POS terminal at the post

office are considered as cash withdrawal, and the issuing banks may – according to their conditions – charge fees for them. The sum of this fee may differ from the usual withdrawal fee.”

- b) The internal regulation regarding credit card acceptance (the order Nr. 82/2006. of the Chief Executive Officer on services accessible through POS terminals) will be modified so that it will direct postal clerks to orally notify consumers before the use of a credit card that credit card transactions are considered as cash withdrawal, and that the issuing banks may – according to their conditions – charge fees for them, and the sum of this fee may differ from the usual withdrawal fee.
  - c) The topics covered in points a) and b) above have to be carried out as follows:
    - At every fixed postal workplace with a POS terminal a cardholder case of 1.5 mm thickness, transparent, made of PLEXI material, measuring 210\*148\*70 mm, 2 times bent, fillable from the side and table-design, needs to be placed at close proximity to the POS terminal in a way that it is well visible and stable. In the case of A/5 sized cards bearing the text in point (a) above need to be placed in the way specified in the annex of this order.
    - Every mobilepost unit that has a POS terminal needs to be provided with an A/5 sized notice card of laminated surface that directs mobilepost clerks to show it up before every credit card use. The contents and form of the notice card have to meet the contents and form specified in the annex of this order.
    - The regulation mentioned in point (4/b) has to be modified according to the requirements of point (4/b) without delay on receipt of this order.
5. The proceeding competition council requested that Magyar Posta Zrt. takes actions to fulfil the contents of points (4/a) and (4/b) according to point (4/c) within 60 days of the receipt of the GVH’s decision. For this reason Magyar Posta Zrt has to
- a. place the cardholder case containing the written notice at every fixed postal workplace concerned.
  - b. Provide every mobilepost unit concerned with the laminated card containing the written notice
  - c. put into force the oral notice according to point (4/a) in case of fixed postal workplaces and mobilepost units, and – in case of mobilepost units – the regulation on the mandatory showing up of the laminated card containing the written notice.