

No Excuses: the GVH Will Always Ensure that Hungarian Consumers Are Protected

21 February 2022, Budapest - The Hungarian Competition Authority (GVH) imposed a fine of HUF 40 million on a Panamanian undertaking for not having justified adequately that it had complied with the GVH's previous decision. As in all cases, the GVH has ensured the winding up of the practice misleading consumers regardless of the lack of cooperation from the company.

In August 2020, the GVH imposed a fine of HUF 800 million on Direct Group S.A., an undertaking incorporated in Panama for advertising various medical "miracle cures" (e.g. hearing aids, magnetic insoles) and unlicensed medicines in several Hungarian newspapers. The disguised advertisements promoted the products with recommendations from non-existent scientists and researchers, fake certificates and fictitious consumer reviews and also promised fake discounts.

In addition to the significant competition supervision fine imposed on the foreign company, the GVH ordered the Hungarian publisher of the unlawful advertisements to prevent the future appearance of similar advertisements. As a result of this, the publisher has among other things disrupted the contracts of Direct Group S.A. and other related undertakings and eliminated their advertisements. The GVH has also banned the Panamanian undertaking from engaging in unlawful advertising practices on any channel or device.

The concluded follow-up investigation regarding the execution of duty revealed that the Panamanian undertaking - even though the advertisements in question are no longer available and no new ones have been detected - failed to comply with the obligation of justification to provide proof of the winding up of the infringement imposed by the GVH. This means, it did not justify when and how it ceased the unlawful practices. The GVH's Competition Council imposed a HUF 40 million fine on the undertaking for the failure to comply.

To ensure that its decisions are always executed effectively, the GVH can oblige the undertakings responsible for publishing the unlawful advertisements (as in the Direct Group case) and under certain exceptional conditions even [contributors not otherwise involved in the procedure](#) (e.g. media space owners) to stop unfair commercial practices. The GVH is thus able to enforce its decisions even when the primary addressee does not cooperate with the authorities (eg. it is unavailable during the procedure, its headquarters are in an exotic country, or it has been terminated, filed for bankruptcy or been dissolved). Even in such cases, Hungarian consumers are protected from unlawful commercial practices.

Office registration number of the case: **VJ/4/2021.**

Press Office of the GVH