

The Competition Authority obliged Szallas.hu to make commitments favourable to consumers

22 September 2020, Budapest - The Hungarian Competition Authority (GVH) found the operating practice of Szallas.hu, which operates an online service for booking accommodation, to be illegal as it exerted psychological pressure on its consumers by posting messages that created a sense of urgency. The Competition Authority obliged the service provider to implement a complex package of measures.

The Competition Authority's investigation revealed that messages appearing on the website of Szallas.hu and on its mobile application, such as *"Four people are planning to book here"*, *"38 people are watching right now"* and *"There are only 2 rooms left on our site!"*, created a sense of urgency and infringed the law. The way in which the messages appeared exerted psychological pressure on consumers, who were under the impression that the accommodation they were viewing was subject to limited availability. The technique, which qualifies as an aggressive commercial practice, impedes the normal decision making process of users and may significantly reduce their ability to make well informed decisions.

Szallas.hu Zrt., which operates the accommodation reservation site and application, cooperated with the Competition Authority during the proceedings, acknowledged the infringement and abandoned the practice in question. Therefore, instead of imposing a fine, the GVH ordered the undertaking to implement a complex package of measures to ensure compliance with the law, to provide guidance to the market and to inform consumers. In this context the undertaking shall, among other things, redesign its online interfaces and launch a consumer information campaign to raise awareness about behaviours that are likely to exert psychological pressure, the importance of recognising such behaviours and the ways in which they can be avoided. The undertaking shall also conduct a market survey and consumer research on the subject, the results of which shall be communicated to other market participants (e.g. accommodation partners and e-commerce undertakings).

Although commercial practices that employ techniques aimed at exerting psychological pressure on consumers have proliferated recently, their unfairness is not always apparent to consumers as they partly affect consumers on a subconscious level. The GVH, in addition to identifying a number of other illegal practices, also uncovered a similar practice in the case of the [Booking.com accommodation search portal](#). Unlike the Dutch undertaking, Szallas.hu acknowledged the infringement and voluntarily stopped using the contested messages. The package of regulatory obligations imposed on the undertaking may help the market to self-correct in this area and increase consumer awareness, thereby enabling harmful practices to be effectively curbed.

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GVH Press Office