

The GVH is investigating the marketplace of Wish

15 June 2021, Budapest – The Hungarian Competition Authority (GVH) has initiated a proceeding to investigate the operating practices of the online marketplace of Wish as the system used by the popular webshop for displaying prices and discounts is alleged to be unfair.

The GVH has initiated a proceeding against the European operator of the US-based Wish webshop, the Dutch ContextLogic B.V. This is due to the fact that the GVH alleges that the discount provision practices of the e-commerce platform, which also boasts a significant number of users in Hungary, infringes the prohibition of unfair commercial practices.

Wish operates as an online marketplace that connects sellers to consumers and it is popular in Hungary as well: according to a survey conducted last year, it is the third most popular foreign webshop used by Hungarian consumers. However, the opinion of the GVH is that the operator may not have exercised the expected level of professional diligence when developing and monitoring the price and discount display practices of the platform.

According to the allegations of the GVH, certain prices displayed on the marketplace are untrue, that is the products cannot actually be purchased at those prices on the platform, while the original prices of certain products available at a discount are presumed to have never been applied by the webshop. The so-called ‘instant offers’, which offer a discount for a few minutes and are displayed together with a countdown clock, may also be misleading since the expiry of this deadline, which urges customers to make a quick purchase, is alleged to have no actual effect on the price or availability of the product in question. Furthermore, the investigation will cover an assessment of certain emphasised product characteristics as well (e.g. high carat values highlighted in the case of jewellery sold for only a few hundred forints).

The initiation of the competition supervision proceeding does not mean that the undertaking has in fact committed the infringement. The proceeding is aimed at clarifying the facts and thereby proving the alleged infringement. The time limit for the completion of the proceeding is three months which, where justified, may be extended on two occasions by a maximum of two months each.

The official registration number of the case is: **VJ/22/2021**.

GVH Press Office