

A fine of HUF 350 million imposed by the GVH due to a premium-rate text message service targeting at children

26 May 2021, Budapest – The Hungarian Competition Authority (GVH) has imposed a fine of approximately HUF 350 million on the operator of a game called 'Bongo' for encouraging children to send premium-rate text messages via concealed advertisements while failing to disclose the costs involved.

The GVH <u>initiated a competition supervision proceeding last year</u> in order to investigate the advertising practices of the service 'Ask Bongo', aimed primarily at children and adolescents. Promoted across a wide range of online channels, the game features Bongo, a little monkey, who answers questions posed by sending premium-rate text messages. Since children spent more time in front of their computers and smartphones during the recent period of distance learning, they had an increased chance of encountering these questionable advertisements; this is why the GVH <u>temporarily prohibited the provision and promotion of the</u> <u>service</u> last spring.

The recently concluded investigation established that the operator of the service, the Australian Global AQA Pty Ltd., infringed the law by directly instructing children to make purchases and failed to disclose the price of the service and the most important characteristics of personal information processing in the advertisements. Furthermore, the undertaking promoted the game using certain channels, such as influencer advertisements and web series aimed at schoolchildren, in a concealed manner and without letting consumers know that they are viewing paid promotions.

"The national competition authority has made it clear on several occasions that infringements against vulnerable consumers (elderly, sick, children) are taken seriously. Unfair commercial practices affecting children to be an especially serious infringement since the target audience qualifies as vulnerable and they are particularly influenced by advertisements on social platforms" - reminded Csaba Balázs RIGÓ, President of the GVH.

The GVH imposed the highest possible fine, approximately HUF 350 million, on the Australian group of undertakings. In addition, the Authority also found three Hungarian influencer agencies, and one web content producer - P4R Digital Agency Kft., Social Guru Magyarország Kft., hd OPEN! Kft., and Globoport Média Holding Kft., to be liable for certain infringements committed in connection with the advertisements they broadcast. Taking the nature of their cooperation into account, the GVH obliged the domestic undertakings to develop internal rules of procedures (a so-called compliance programme) in order to prevent any similar infringements in the future instead of imposing fines on them. All four undertakings undertook to the implementation of such programmes facilitating the prevention of future infringements the fulfilment of which will be assessed by the GVH within the framework of a follow-up investigation.

The official registration number of the case is: VJ/3/2020.

GVH Press Office