

The GVH investigated the publication of consumer reviews as part of a joint European action

5 January 2021, Budapest – The Hungarian Competition Authority (GVH) also participated in the joint sweep organised by the European Commission and the competition authorities of the Member States, which looked into consumer reviews published on e-commerce platforms.

In September, the GVH conducted a <u>sweep</u> in order to investigate the way in which Hungarian takeaway delivery platforms offer opportunities for consumers to express their opinions. The Authority participated in another similar sweep in November: in cooperation with the Consumer Protection Cooperation Network (CPC), which brings together the European Commission and the competition authorities of the Member States, it examined the publication of consumer feedback in various sectors (e.g., clothing products, sports equipments, cosmetics, books, accommodation booking, travel planning, etc.).

The compilation of the European experiences gathered during the coordinated action (so-called sweep) is currently still underway; however, through the quick overview of the Hungarian platforms, the GVH gained an insight into how they inform consumers of the criteria and methodology of their evaluation (rating) systems.

The investigation revealed that only a few service providers share on their websites the criteria they took into account during the aggregation of consumer reviews (scores or number of stars); therefore, the evaluation process was generally not known to consumers. It can also cause issues if the service provider only publishes a few, typically positive, consumer reviews in order to promote their service. However, the GVH also found positive examples to be followed during the sweep, which the Authority incorporated into its recommendations in order to disseminate these good practices as widely as possible.

In order to ensure that the evaluation system is transparent, clear, and easy to follow for consumers, the GVH called attention to the following criteria, in addition to its <u>recommendations</u> formulated earlier:

• Consumers trust the experiences shared in the online space in connection with products or services and use them in their own purchasing decisions-. Therefore, all feedback presented by a service provider as a consumer review must be authentic, which means that it must reflect true consumer opinions, statements, and experiences. If a service provider makes it possible to display opinions that are not associated with verified purchases (e.g. with a booking code or invoice), this fact must be made easy to see near the consumer feedback. It is also recommended to indicate consumer reviews made due to the use of any incentives, that is if the service provider offered a coupon or discount to the consumer for the review.

- It helps inform consumers if at the same time as providing the opportunity to submit a review and at the same place where this is possible, the review system of the website is presented in an easy-to-understand manner using visual tools, such as diagrams or a video. This information is useful to display on the interface provided for writing reviews (e.g., through a hyperlink) or in an easy-to-find menu item.
- It is recommended to make it clear to consumers whether they are reviewing the service provider's platform or the products and services available to purchase thereon.
- Service providers are not allowed to pick and choose reviews in order to display positive ones only. If a service provider decides to display certain consumer reviews with positive content in a highlighted manner as a marketing tool, it must provide balanced information and cannot keep quiet about consumer reviews recounting less favourable experiences about the undertaking, its products, or services.
- It is recommended to make it possible for consumers to choose the criteria based on which reviews are displayed (e.g., latest first, only showing worst or best reviews).
- It is recommended to specify a reasonable timeframe within which reviews are accepted. Especially in the case of services, it is not advantageous if consumers are allowed to write reviews weeks or months later (e.g., about a hotel room or restaurant dinner) since in such cases, their opinions might be affected by the passing of time.

The Act on the Prohibition of Unfair Commercial Practices against Consumers has been amended to include new provisions on consumer reviews, which will become effective as of 28 May 2022. From this date, the way in which an undertaking ensures that consumer reviews (if it decides to do so) are actually from consumers who use or purchased the product is going to be considered as significant information concerning the product. It is going to be forbidden under all circumstances and will be considered a so-called blacklisted commercial practice if an undertaking claims that the reviews of a product were submitted by consumers who have used or purchased it without taking reasonable and proportionate steps to verify whether the reviews are submitted by such consumers. It is also going to be a blacklisted, that is infringing, practice to give false consumer reviews or recommendations in order to promote the product or to entrust others with doing so, as well as to misrepresent consumer reviews or recommendations from social media.

GVH Press Office