

GVH moves against the global e-commerce platform: Wish compensates Hungarian consumers for a total of HUF 150-225 million

21 February 2023, Budapest - The Hungarian Competition Authority (GVH) has closed its investigation into Wish, one of the world's largest e-commerce marketplaces. The platform operator agreed to a complex compensation package, including financial compensation for some 100-150 thousand affected consumers, in a bid to avoid a fine.

The national competition authority closed its investigation into the operator of Wish, one of the most popular international e-commerce marketplaces. The <u>proceedings were opened in 2021 because</u> the platform operator was alleged failed to have failed to exercise due professional care in the design and monitoring of the platform's price and discount indication practices. The authority suspected that certain prices offered by traders selling on the marketplace may have been untrue, some products were advertised at unrealistically high discounts and with false claims, and consumers were urged by a countdown clock to accept certain 'instant offers'.

During the proceedings, the California-based platform and its European operator offered a complex compensation package to remedy the identified wrongful conduct. The commitments include a HUF 1,500 credit for every Hungarian user who purchased on the platform during 2021 by clicking on an instant offer. The compensation affects between 100 and 150 thousand consumers. The undertakings will also launch a consumer awareness campaign and implement more effective measures, supported by independent audits, to control the behaviour of traders who sell on their marketplace. The undertakings also agreed not to use the discounting practices and 'instant offers' objected to by GVH in the future.

The GVH's Competition Council found that the package of measures proposed by the group adequately addressed the root cause of the problems identified during the investigation, i.e. the objectionable behaviour of certain traders on the marketplace. The commitments foster consumer awareness and informed consumer choices, and also serve to protect the public interest by promoting good practices, which can serve as a guide for other market actors. Accordingly, the GVH terminated the proceedings, without establishing an infringement or lack thereof, and obliged Wish to comply with the commitments entered into.

The correct, accurate and documented implementation of commitments may be subject to a follow-up investigation by the GVH after the expiry of their deadline.

Official registration number of the case: VJ/22/2021.

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