Results and new directions in consumer protection – the digital strategy of the GVH has been published

The Hungarian Competition Authority (Gazdasági Versenyhivatal, hereinafter GVH) has elaborated a digital consumer protection strategy in order to react more effectively to current challenges on the markets. At the same time, the GVH has summarised the results and latest directions concerning the application of the Act on the Prohibition of Unfair Commercial Practices against Consumers which entered into force ten years ago.

A decade has passed since the Act on the Prohibition of Unfair Commercial Practices against Consumers entered into force on 1 September 2008. The GVH carries out its consumer protection duties alongside the MNB and consumer protection authorities. Over the past 10 years the GVH has continuously provided content to the existing consumer protection frameworks through its decisions in a number of specific cases, thereby facilitating the ability of consumers to make decisions without distortion.

<u>The following key figures represent</u> the GVH's remarkable consumer protection activity over the past ten years:

- the GVH delivered a decision in 401 cases through the application of the jubilarian UCP Act
- imposed a fine of more than 5 billion HUF (cca 15 million EUR)
- accepted commitments in 34 cases which enabled the undertakings to correct their infringements themselves
- ordered the implementation of compliance programmes in 16 cases to ensure that the undertakings operate in accordance with the law
- required undertakings to set up consumer awareness-raising educational campaigns in 12 cases
- issued warnings against SMEs in 5 cases
- initiated litigation to enforce civil claims of consumers in 2 cases
- issued 275 press releases
- carried out communication campaigns on 4 occasions in order to strengthen the awareness of consumers
- took part in 6 international sweep projects

The investigations of the GVH regarding consumer protection covered several market sectors and products. At the beginning of the decade, the operation of <u>consumer groups</u> targeting individuals excluded from the services of credit institutions (BAR listed, pensioners) gave rise to significant work for the GVH. In the second half of the 2010s the <u>timeshare resale market</u> required particular attention. Misleading statements related

to <u>the therapeutic and health effects</u> of certain products are a recurring subject of the GVH's investigations, as well as the unlawful advertising practices of the information and communication and telecommunication sectors.

However, in recent years the GVH's attention has increasingly focused on unfair commercial practices related to the digital and databased economy. The GVH has published a <u>Guidance Document</u> in connection with advertising via influencers who are playing an active role on social media. Furthermore, the GVH has investigated the information published by certain online service providers regarding the processing of personal data in order to consumers purchase their products in light of these information. In the course of its consumer protection investigations the GVH is also increasingly monitoring the content that is appearing on online marketplaces and communication channels.

In order to handle new types of infringements against consumers in a more efficient and timely manner, the GVH found it necessary to elaborate a digital consumer protection strategy, which has just been published today.

The dynamics of digital markets, the special features of the demand and supply side, and in particular the unique characteristics of the consumers' decisions, which differ from other markets, necessitate the application of new tools and the establishment of priorities for the future. With this new approach, the GVH seeks to ensure that its steps, practices, interventions and messages are in line with the rapid development of business models and commercial practices created by the digital economy.

The *medium-term digital consumer protection strategy* is available on the <u>GVH's</u> website.

Budapest, 27 September 2018

Hungarian Competition Authority

Information for the press:

sajto@gvh.hu http://www.gvh.hu **Further information:**

GVH Customer Service Tel: (+36-1) 472-8851

E-mail: ugyfelszolgalat@gvh.hu

http://www.gvh.hu