## Magyar Telekom launches a new low-priced TV + internet + phone package in 406 towns as a result of the intervention of the GVH

The Gazdasági Versenyhivatal (the Hungarian Competition Authority, GVH) accepted the commitments submitted by Magyar Telekom Nyrt. (Telekom), according to which, from 2 December 2019, Telekom will offer in 406 towns a new and cheaper – so-called triple-play – package that includes TV, internet and telephone service. In view of the acceptance of the commitments, the GVH did not establish an infringement in the case and therefore did not impose a fine.

The GVH initiated an investigation against the above-mentioned telecommunication company in 2017 after noticing that its triple-play service package, which it introduced in May 2017, had only been made available in those towns where it faced strong competitive pressure. In contrast, it charged higher fees in those towns that lacked strong competition but where its network would have also been capable of providing the 'Flip' service. This conduct raised the suspicion that Telekom was charging its customers excessively high fees in these towns.

As a result of the GVH's proceeding, the telecommunication company has undertaken to introduce a new tariff package in 406 towns, which will include TV, internet and telephone service. The low fee that will be charged for this package will result in considerable savings for consumers, when compared to the costs incurred by consumers when purchasing these services separately from Telekom. As part of the package, subscribers will have access to the following services for a gross monthly fee of HUF 6,350 in the case of electronic (online) administration and a gross monthly fee of HUF 6,950 in the case of conventional (offline) administration:

- television package with a wide selection of programmes (139 channels of which 32 HD),
- high-speed internet (150/50 Mbps maximum and 60/25 Mbps guaranteed download and upload speeds for optical networks, 150/5 Mbps maximum and 15/1 Mbps guaranteed download and upload speeds for ED3 cable networks),
- landline telephone service, within which domestic fixed and mobile networks can be called for HUF 5 per minute at a charge of HUF 5 call set-up charge.

In addition to the above-mentioned services included in the package, Telekom will offer a number of further services and discounts. In accordance with the accepted commitments, Telekom has undertaken to make the new tariff package available in all those towns where its network is technologically capable of providing TV, internet and telephone services. The commitments submitted by Telekom will be in place for a period of 2 years — in view of the rapid technological developments in the 1054 Budapest, Alkotmány u. 5. Telefon: (06-1) 472-8851 Fax: (06-1) 472-8905 E-mail: ugyfelszolgalat@gvh.hu

telecommunications markets and the ever-changing competitive environment. The new tariff package will be available to both Telekom's existing customers (without the obligation to pay a contractual penalty) and new subscribers. Detailed information about the package and additional terms and conditions of the service will be available on the Telekom website under the menu for package selection, by clicking on the discount package offer that pops up after entering the address.

A list of the concerned towns can be found in the <u>appendix</u> to the decision of the GVH.

Case number: VJ/56/2017.

Budapest, 11 October 2019

**Hungarian Competition Authority** 

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