



GAZDASÁGI  
VERSENYHIVATAL

## **GVH fines British Airways**

**The GVH carries on with its market clearance investigations started in the last year relating to airlines. As a recent step of this, the GVH established, that some ads of British Airways were suitable for the deceiving of consumers. The airline was fined HUF 5 million (approx. EUR 20 thousand) for the infringement.**

In April 2007 the GVH initiated an investigation against the English airline assuming the deception of consumers by some of its ads. In the course of the proceeding the GVH discovered, that in its advertising campaigns named „London in April-May 2006” and „Dream Flights in September 2006” and „Dream Flights in January 2007”, British Airways (BA) did not inform consumers, that the ticket prices indicated in its radio spots did not cover the ancillary fees and costs. It did not provide consumers with sufficient information on ticket prices on its billboards either. According to the GVH, the price of an air ticket covers several costs. The price set by the airline is only one of these costs, and the consumer has to pay the whole price, covering all additional costs, in order to use the service. The whole price of an air ticket is an essential feature, thus consumers need to be appropriately informed of it.

When calculating the amount of the fine the GVH considered, that the information appeared on giant posters, however it was difficult to notice. As a mitigating circumstance, the GVH took into account, that the exact information on the conditions relating to the prices was provided to consumers prior to the purchase, furthermore, the Dream Flights campaigns lasted only for a short time.

The market of air transport has been significantly changed by the appearance of discount airlines. Competition increased and therefore ticket prices decreased considerably, which had a favourable impact on consumers. Intense competition forces airlines to an increased marketing communication activity with respect to prices. In some cases the whole gross price to be paid is highlighted, however most of the ads contain the net price, which does not cover taxes and fees. Consumers are not familiar with the different kinds of gross and net prices, therefore the information of some airlines may be suitable for the deceiving of consumers. That was the reason for the GVH to decide on the initiation of a series of market clearance investigations against airlines publishing misleading information on prices. The investigations against Sky Europe (VJ-74/2006), Malév (Vj-147/2006), Smartwings (VJ-25/2007), WizzAir (Vj-4/2007) and KLM (Vj-43/2007) have been closed so far. The GVH imposed a total fine of HUF 104 million (approx. EUR 416 thousand) on these five airlines. The GVH continues to conduct the investigations.