



GAZDASÁGI
VERSENYHIVATAL

Low cost airline fined by the GVH

The Hungarian Competition Authority (GVH) imposed a fine of HUF 10 million (approx. EUR 33 thousand) on Sky Europe since the low cost airline deceived consumers by concealing that besides the ticket price several additional costs had to be paid in order to be able to travel.

The GVH initiated a proceeding against Sky Europe Airlines in September 2007. In its ads published in 2007 the low cost airline offered tickets for exclusively favourable prices (HUF 1-3490). In the course of the investigation the GVH considered many different aspects of the ads. On the one hand, it examined whether the ads contained false statements, on the other hand, whether they concealed essential information. According to the GVH, when choosing between different airline tickets, consumers consider the price of the tickets as the most important factor. Customers mean by the price of a ticket the total amount of the costs they have to pay in order to buy the ticket. The information provided by Sky Europe on the fees the airline charges for its own services does not have any relevance to them, since they can only get these services if they also pay the additional costs (airport fee, payment handling fees etc.).

In its proceeding the GVH established that Sky Europe separated the different cost elements in its ads. The net basic tariffs were highlighted in the ads, however, in the small printed section it was indicated that the highlighted tariff did not contain the airport fee. It was also revealed that the tariff did not cover the service fee and the debit card charge, although consumers have to bear these costs indispensably. The GVH also established that Sky Europe did not indicate in any of its ads that a service fee was linked to ticket purchasing. Consumers were not informed about the debit card charge either; consumers who were used to arranging their payments by card could not be expected to calculate upon a debit card charge relating to the purchasing of airline tickets.

In its online ads Sky Europe promised to the consumers 30-50% rebates from its tickets several times. However, the air carrier failed to prove during the investigation that it has ever applied the prices concerned by the huge rebates promised in the ads.

In the view of the GVH, concealing that customers have to pay additional costs besides the price advertised in order to be able to travel, is to be deemed as a deception of consumers. Sky Europe also promised fictional rebates in some of its ads, which was also capable of deceiving consumers. On the grounds of all the above mentioned, the competition authority imposed a fine of HUF 10 million (approx. EUR 33 000) on the airline. When determining the amount of the fine the GVH considered as an aggravating circumstance, that the deceptive ads reached a targeted group of consumers, most of the ads investigated contained infringements and the misleading information was available for a whole year. However,

consumers had the possibility to request for proper information, which proved to be a mitigating circumstance.