

The GVH imposed a fine for offers that seemed to be invoices

The Hungarian Competition Authority (Gazdasági Versenyhivatal – GVH) imposed a fine of HUF 2.4 million (approx. EUR 8.4 thousand) on Euro Credit Management Gazdasági Szolgáltató Kft. (Euro Credit). The undertaking used misleading advertisements by sending its contracting offer to the prospect partners, as if they were invoices for previously concluded contracts.

Between 1 September 2008 and June 2009 Euro Credit contacted those undertakings that seemed eligible for being prospect partners, in order to extend the clientele of the professional telephone directory on the www.sargaoldalok.com webpage. The design of the delivered documents suggested that the addressee received an invoice after the performance of the services ordered by them, although according to their content the documents were obviously offers of Euro Credit. Although the documents contained some information referring to the fact that they are not invoices, but this information was marked with such small letters that it was almost impossible for the reader to recognise them.

Direct marketing devices such as the so-called direct mail, which are appropriate to establish direct relationship between the undertaking and prospect partners, aim to create unique dialogue between the undertaking and the addressee in order to encourage the latter to get familiarized with the product and to order it. However, the documents sent by Euro Credit conveyed the message that the above-mentioned dialogue has already taken place, the addressee has already ordered the product, and thus the enclosed direct transfer order has to be implemented.

The GVH clarified that it is the duty of the business partners to thoughtfully read through the delivered documents, but this circumstance certainly does not verify Euro Credit's conduct to apply misleading advertisements.

The GVH considered as an aggravating circumstance that the advertisements reached a large number of consumers and also the long-drawn notion of the infringement. Therefore the amount of the fine imposed by the GVH is near to the maximum that is possible under the Hungarian competition law.

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Hungarian Competition Authority
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