



GAZDASÁGI  
VERSENYHIVATAL

## **Euro exchange rate did not change at TeleFound**

**In 2007 TeleFound Ltd. mislead consumers by advertising its EzPhone Next phone cards. The undertaking was fined HUF 100 thousand (approx. EUR 400), furthermore, the GVH obliged TeleFound to revoke the ads within 30 days of receipt of the decision, so that the misleading ads would no more be available for consumers.**

When buying a prepaid phone card consumers buy a phone card with a certain balance of money, resembling a bankcard or a credit card, which also contains a layer that can be rubbed off. The balance available on the phonecard will be reduced by the calls according to the rates charged by the provider. Customers can make their phone calls with prepaid phone cards without commitments: there is no need to purchase a phone or a subscription. In the case that consumer dials the given dial-in number (i.e. one of such numbers) from a fixed line subscriber access point or from a public telephone, the call will be received by a switching center. The operator-machine asks for the PIN-code of the card and checks whether the balance belonging to the PIN-code is restricted for any reason. If the card can be used due to the balance available, the consumer can dial the number he intends to call. After that the system starts to establish connection between the two endpoints. There are several competitors present on the market of prepaid phone cards (Magyar Telekom, EuroWeb, Micronet, PrivateTel, Global Reach, CallGate, Quality Tel, GTS Datanet, Digital Talk, Netring, e-Tel). The cards named Barangoló, NeoPhone and the various cards of TeleFound cover approximately two-third of the sales of the market, the products of the other competitors share the one-third left.

The GVH initiated a proceeding because in 2007 TeleFound advertised the minute rates of some of its prepaid phone cards in forint and euro based on the midpoint rate of the MNB (the national bank of Hungary) on 4 October 2006. The ads showed the charges of phone calls to certain countries (in some ads not the minute rates in forint, but those in eurocent were highlighted), however, the undertaking informed consumers in a text written with very small letters, placed in another reading direction than the main text, that the rates in eurocent were only informative and they were defined by the 276/43 HUF/EUR midpoint rate of the MNB on 4 October 2006.

TeleFound based its information addressing consumers in 2007 on the midpoint rate of 4 October 2006 and this could be considered by itself to be suitable for the deception of consumers. The minute rates in eurocent were based on a midpoint rate that was never valid in 2007, the midpoint rate was in 2007 significantly lower actually, thus the minute rates in eurocent were actually higher than the prices referred to in the ads. Therefore, consumers calculating the prices of the calls which they made on the basis of the minute rates in eurocent published in the media in 2007, could not get a realistic picture of the product, as the eurocent prices of the ads were never valid in 2007, the validated eurocent prices were higher.

The GVH emphasizes that TeleFound, changing in 2007 its rates and also its ads several times, could have chosen easily another midpoint rate by calculating its eurocent prices, giving a more realistic picture of the service. Nevertheless, the undertaking failed to do this, thus it deceived consumers. TeleFound was fined HUF 100 thousand (approx. EUR 400) for the infringement; furthermore, within 30 days of receipt of the decision of the GVH it has to revoke the unlawful ads from the market.