

Fines imposed for the misleading advertising activity of Provident

Provident Financial Co. Ltd. (Provident) has been fined 50 million HUF (approx. 167.000 EUR) by the Hungarian Competition Authority (GVH) for failing to provide important information in its campaign promoting money payback.

Between 10 March 2010 and 30 April 2012 the company promoted its money payback facility in its 13 different offers. In the offers Provident promised to pay back those clients who paid their weekly loan installments on time the value of one or two week's installment/s or another amount at the end of the loan contract. However, Provident failed to disclose that those customers using the option of full or partial prepayment were disqualified from the offer. Moreover, the GVH established that consumers were not aware of the fact that Provident considers every extra payment (regardless of the client's intention) as a prepayment. While this usually involves discounted interest rates and is without extra charge, consumers were not informed of this on any form of advertising. Consequently, the communications under investigation can be considered as resulting in the deception of consumers.

The GVH established that the company was engaged in an unfair trading practice as in its campaign promoting money payback it did not inform consumers about important conditions that were attached to participation in the offer.

Following the above mentioned facts, the GVH imposed a fine of 50 million HUF on the undertaking. When determining the amount of the fine, the GVH considered as a significant aggravating circumstance the fact that for more than two (although not entirely continuous) years – in its 13 investigated campaigns – the company implemented a commercial practice using various communication tools.

Case number: **Vj-40/2012.**

Budapest, 22 May 2013.

Hungarian Competition Authority

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