



GAZDASÁGI  
VERSENYHIVATAL

## **Repentant bank educates consumers**

UniCredit Bank misled consumers concerning its 'UniCredit Savings' and 'HVB Savings' products. The competition authority of Hungary (GVH) imposed a fine of 1 million HUF on UniCredit. On the other hand, the GVH has not established the illegality of the confusing communication concerning the combined investment and deposit nature of the same products as UniCredit undertook to compensate damaged customers and to start a campaign aiming the improvement of consumers' financial literacy and consciousness in this field.

The TV ads of UniCredit were broadcasted in February and March of 2007. The investigation established that the bank has not or has not appropriately informed consumers that the advertised high interest level applies only for the first three months of the deposit and afterwards only the lower, general interest rate would be calculated. Originally the subject of the investigation was whether UniCredit had appropriately communicated that the products had both deposit and investment characteristics. However as the bank has submitted the following commitments in this regard the GVH has not established illegality.

First, UniCredit undertook to allow all customers who used the two products during the advertising campaign or within 30 days of its closure to:

- dissolve the contract without charging any costs for doing so,
- make available interests and yields for the period of the contract without charging for early termination,

Second, UniCredit undertook to publicise the characteristics of the products with the aim to increase consumer knowledge and consciousness. It would present the differences between bank deposits and unit trusts, underlining those relating to the level of risk, the time frame and access to the deposited or invested amount. It would provide information about the parameters necessary for the assessment of combined products involving deposit, investment and savings characteristics.

The information provided is required to answer the following questions:

- What differences are there between bank deposits and capital investments, primarily in terms of risk, time frame, and access to the amount? What should consumers take into account before making their choice?
- What characteristics should be definitely known for consumers to be able to assess the real value of combined savings products?
- What characterises the preferential interest period and the following periods?

- What risks are inherent in unit trusts, what yields are available in what time frame and for what kind of fees?
- What is the difference between interest and yield? In the case of yields what is the relationship between the time period and liquidity?

The information supplied would be broadcasted through different channels. UniCredit would prepare five mini-programmes for TV channels and radios, to be broadcasted in April and May 2008. It would also present the requested communication in the press in the same scale as the original advertisements were published. Its website would also be adjusted to the content of the decision of the GVH.