

Strict follow-up investigations by the GVH: the Authority has fined the Hungarian festival terminal undertakings

8 November 2021, Budapest – The Hungarian Competition Authority (GVH) imposed a fine of nearly HUF 7 million in total to the largest payment terminal service providers of Hungarian festivals: the operators of Festipay and HelloPay. This is due to the fact that the former fulfilled its voluntarily accepted commitment in an incomplete manner, while the latter continued to perform its unfair commercial practice despite the prohibition by the Authority.

The GVH conducted an investigation of both dominant players in the market of cash-free payment systems of Hungarian festivals and entertainment venues for similar reasons: the 10% tip that was treated as a ‘default setting’. The payment circumstances present at festivals and entertainment venues (noise, time pressure, a large number of people in the queue, etc.) make thoughtful decision-making difficult; therefore, it is considered to be unfair to place psychological pressure on consumers in deciding the amount of the tip. While the Authority [imposed a HUF 20 million fine](#) on HelloPay two years ago due to its fully automatic tip settings, the operator of Festipay, which asked customers to confirm the tip, which was also 10% by default, [voluntarily agreed](#) during the proceeding that it would not suggest any kind of expectation or rate in the future.

The GVH monitored whether the two service providers had fulfilled their commitments made during the proceeding and complied with the prohibitions imposed in the decisions within the framework of a follow-up investigation. The investigation established that the commitments of Festipay were mostly fulfilled; however, smaller deficiencies were also discovered during the process. Therefore, the competition council of the GVH imposed a HUF 700 thousand fine on the undertaking, taking into account the fact that it acknowledged the omissions and waived its right to legal remedies, among other factors.

In the case of HelloPay, the investigation revealed that although the payment system now asks whether the customer wishes to give a tip or not; however, those who choose to give one are once again faced with a 10% default tip. This is in clear contrast to the contents of the resolution adopted by the Authority since the system continues to suggest an ‘expected’ 10% rate to a significant portion of consumers, confusing their decision-making process. The competition council of the GVH imposed a fine of HUF 6 million on the undertaking for continuing its unfair practice in spite of its prohibition by the Authority.

When imposing the fines, the Authority took into account the unfavourable effect of the COVID-19 pandemic on the sector.

‘Cash-free payment systems play an important role in whitening the economy. However, it is essential that during their use, the interests of Hungarian citizens are not infringed and their decisions are not distorted by anything. We recommend that these undertakings keep in mind that the prohibition of the infringing behaviour is the most important element of the Authority’s measures; omissions in this regard can significantly harm the interests of consumers’ said Csaba Balázs RIGÓ, President of the GVH.

The official registration numbers of the cases are: **VJ/31/2020; VJ/15/2021.**

GVH Press Office