

The GVH has imposed a fine of more than HUF 4 billion (EUR 13 million) for information cartel

The Hungarian Competition Authority (GVH) established in its decision that Magyar Bankszövetség (Hungarian Banking Association) – with the collaboration of Nemzetközi Bankárképző Központ Zrt. (International Training Centre for Bankers Ltd.) – had been operating the so called “BankAdat” database for 12 years in a way that was likely to restrict competition, as it had made it possible for the banks to share private, confidential and strategic data with each other. The GVH imposed a total fine of HUF 4.015 billion (approx. EUR 13 million) for the infringement.

According to the decision of the GVH, the information flow that took place in the operation of the BankAdat database amounted to **horizontal information exchange**, thereby infringing the competition law of both Hungary and the European Union.

The **private, confidential and strategic data** (e.g. data relating to quantities, costs, demand, profit) which was shared in the database by the members of Bankszövetség, ensured that the banks obtained up-to-date information about the market, market processes, efficiency, business policies and strategies of competitors. The concerned banks particularly used the available information for making business plans, creating strategies and for product development.

The GVH imposed a fine of HUF 4 billion (EUR 13 million) on Bankszövetség and HUF 15 million (EUR 50000) on Bankárképző.

When setting the **fine**, in the case of **Bankszövetség** the GVH regarded as a basis the sum of the interest, fee and commission incomes of the members providing the data in their reporting period from 2001 which incomes were realised as relevant market turnover on the retail and business segment; while in the case of **Bankárképző** the GVH considered as relevant turnover the turnover realised in relation to the operation of the database.

When establishing the sum of the fine, the GVH regarded as **aggravating circumstances** – among others – the following:

- the uncovered information exchange led to an exceptionally wide range of data sharing and it also affected competition in the dimensions of price, quality and innovation;
- the undertakings participating in BankAdat covered the domestic bank system almost entirely; their collective market share exceeded 80%.

The GVH took into account as a **mitigating factor** the following:

- Bankszövetség and Bankárképző voluntarily abandoned the operation of the database after the initiation of the supervision proceeding;
- the database is only partially unlawful.

Bankszövetség was an active member of the information cartel while Bankárképző played the role of a contributor. The GVH did not establish the direct responsibility of the member banks that provided data, because the decisions on the establishment and operation of the database were made by Bankszövetség itself. In its decision, the GVH specified the financial institutions that bear subsidiary liability responsibilities (Budapest Bank, CIB, Erste, K&H, MKB, OTP, Raiffeisen, UniCredit, Magnetissimo, Banif, Commerzbank, Quaestor, FHB Kereskedelmi Bank, Gránit, KDB, Cetelem, Takarékbank, Sberbank, Merkantil, Porsche, Sopron Bank, Erste Lakástakarék, FHB Jelzálogbank, Fundamenta, OTP Jelzálogbank, OTP Lakástakarék, UniCredit Jelzálogbank, Axa, BNP, Citibank, Crédit Agricole, Deutsche Bank, ING), against which the recovery of the fine imposed can be arranged if the enforcement against the Bankszövetség cannot be realised.

The GVH accepted Bankszövetség's request to be allowed to pay the fine in instalments due to the fact that the membership fee revenues do not cover the fine; it shall therefore require its members to supply additional capital or it shall raise its membership fees.

The GVH terminated the procedure

- with regards to the aggregated data that can be obtained from the BankAdat database, and
- initiated against Kinizsi Bank, KELER, Exim Bank, Magyar Fejlesztési Bank and Mohácsi Takarékbank.